

UNIT 5

Emerging Issues in SCM & Logistics

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- 5.1 Statutory Provisions Dealing Transport
- 5.2 Object of Multimodal Transportation Act 1993
- 5.3 Appeal
- 5.4 Contents of Multimodal Transport Document
- 5.5 Motor Vehicles Act 1988 - Driving Rules
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5.0 Unit Overview & Description

The unit covers the statutory provisions of multimodal transportation Act 1993 which became necessity after development of transport technology. The unit also assist in understanding the brief outlines of the Act.

Introducing Motor Vehicle Act 1988 is also the purpose of this unit which covers the basic rules of the road and the documents to be carried. For any transport documents insurance of cargo is an important part to cover the various risks. This unit provide information related to marine insurance, its types and the how the value is evaluated covered.

Knowledge and Skill Outcomes

The unit is expected to impart the following knowledge and skill.

- ♦ Understanding the statutory permission of Multi-modal Transport Act. 1993.
- ♦ Expose to the object of Multinational Transport Act 1993 and its need.
- ♦ Develops awareness relating to Motor Vehicles Act 1988.
- ♦ Provides exposures to driving rules under Motor Vehicle Act 1988.
- ♦ Give a brief outline of Insurance and Marine insurance.

Resource Material

1. Nabhi's Board of Editors: Exporters Manual and Documentation 2009, Nabhi Publications, New Delhi.
2. Nabhi's Board of Editors: How to Export 2012, 19th Edition August 2012, Nabhi Publications, New Delhi.
3. Muthiah Krishnaveni, Logistics Management and World Sea Borne Trade, 2nd Edition; Himalaya Publishing Books, New Delhi (2001).
4. Reji Ismail, Logistic Management, Excel Books, New Delhi (2008).



Learning Outcomes

Unit V	Emerging Issues in SCM & Logistics	Outcomes
5.1	Statutory provisions dealing transport.	Explain important provisions of Multi-modal Transportation Act 1993.
5.2	Object of Multi-modal Transportation Act 1993.	Write down the object of Multi-modal Transportation Act 1993.
5.3	Appeal.	Understand appeal.
5.4	Contents of Multi-modal Transport Document.	List contents of Multi-modal Transport Document.
5.5	Motor Vehicles Act 1988 - Driving Rules.	List the basic rules of the road.
5.6	Insurance.	Write down the rule of insurance. Explain marine insurance and discuss the types of risks covered under it. Write down the claim procedure of marine insurance.

Assessment Plan

Unit V	Topic	Assessment Method	Time Plan	Remarks
5.1	Statutory provisions dealing transport.	Exercise: Question & Answer		
5.2, 5.3, and 5.4	Object of Multi-modal Transportation Act 1993, Appeal, Contents of Multi-modal Transport Document.	Exercise: Activity, T & F, Question and Answers		
5.5	Motor Vehicles Act 1988 - Driving Rules.	Exercise: Question and Answer, Match the following		
5.6	Insurance.	Exercise: Question and Answer, Match the following, T & F, Activity		



5.1 Statutory Provisions Dealing Transport

Multimodal Transportation Act 1993

Various Structural changes took place in the international transportation of goods due to advances in the transport technology including containers.

Containers are increasingly being used for transportation of goods from one country to another country, using more than one mode of transportation and carrier. Multimodal transportation of goods has become standard practice in the international trade.



Figure 5.1: Multimodal Transport Carrying Container Boxes

Overseas general cargo of India also started moving in containers. In order to facilitate containerized trade, container handling facilities in major Indian Ports, container railway flat wagons, inland container depots and container freight stations have been developed and are being developed.

On the recommendation of working group an act was passed in 1993 called Multimodal Transportation Act.

Concept of International Multimodal Transport covers door to door movement of goods under the responsibility of a single transport operator.

The emergence of container technology and of the multimodal transport concept came from and facilitated growing international trade.

Trade and transport are inextricably linked: Efficient transport services are a prerequisite to successful trading.

International transport generally implies the use of various transport links (interfaces and modes), each link corresponding to a transfer, storage or transport operation either in the country of origin, in a transit country, or in the country of final destination.

Review Question

1. What do you mean by multimodal transportation Act-1993?

5.2 Object of Multimodal Transportation Act 1993



Figure 5.2: Multimodal Transportation

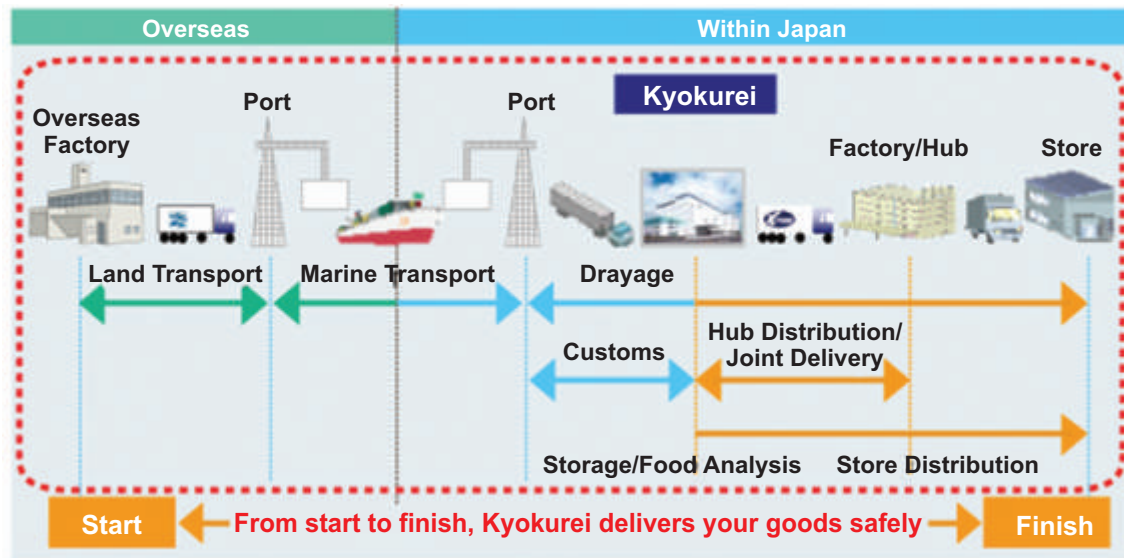


Figure 5.3: Multimodal Transportation Example

The Objects and Reasons of the Multimodal Transportation of Goods Act, 1993 states that *“in the context of various measures taken by the Government of India to liberalize controls, simplify procedure, facilitate smooth flow of international trade and promotion of exports, it became necessary to immediately regulate multimodal transportation of goods by law with a view to reducing and eliminating interruption in the continuous movements of goods from their origin to the ultimate destination as also reducing cost and delays and improving the quality of transport services”*.

Carriage of goods from door to door is not a new concept and has been in practice under the segmented transportation system for years.

Multimodal transportation of goods under one multimodal document or contract is just another service being provided by these providers.

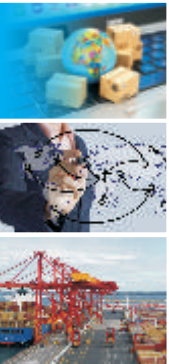
Regulation of Multimodal Transport

No person to carry on business without registration.

- ▶ Provided that a person carrying on the business of multimodal transportation immediately before the commencement of this Act, may continue to do so for a period of three months from such commencement and if he has made an application for registration within the said period till the disposal of such application.
- (1) Any person may apply for registration to the competent authority to carry on or commence the business of multimodal transportation.
- (2) An application under sub-section (1) shall be made in such form as may be prescribed and shall be accompanied by a fee of ten thousand rupees.
- (3) On receipt of the application, the competent authority shall satisfy that the applicant fulfils the following conditions namely:
 - (a) (i) That the applicant is a shipping company or a company engaged in the business of freight forwarding in India or abroad with a minimum annual turnover of fifty lakh rupees during the immediate preceding financial year or an average annual turnover of fifty lakh rupees during the preceding three financial years as certified by a chartered accountant within the meaning of the Chartered Accountants Act, 1949;
 - (ii) That if the applicant is of a company other than a company specified in subclause (i), the subscribed share capital of such company is not less than fifty lakh rupees;
 - (b) That the applicant has offices or agents or representatives in not less than two other countries, and on being so satisfied, register the applicant as a multimodal transport operator and grant a certificate to it to carry on or commence the business of multimodal transportation.
- (4) A certificate granted under sub-section (3) shall be valid for a period of one year and may be renewed from time to time for a further period of one year at a time.
- (5) An application for renewal shall be made in such form as may be prescribed and shall be accompanied by a fee of two thousand rupees.

5.3 Appeal

1. Any person aggrieved by an order made by the competent authority under section 5 may prefer an appeal to the Central Government within such period as may be prescribed.
2. No appeal shall be admitted if it is preferred after the expiry of the prescribed period.



3. Every appeal made under this section shall be made in such form and on payment of such fees as may be prescribed and shall be accompanied by a copy of the order appealed against.

5.4 Contents of Multimodal Transport Document

The multimodal transport document shall contain the following particulars namely:

- (a) The general nature of the goods, the leading marks necessary for identification of the goods, the character of the goods (including dangerous goods), number of packages or units and the gross weight and quantity of the goods.
- (b) Apparent condition of the goods.
- (c) The name and principal place of business of the multimodal transport operator.
- (d) The name of the consignor.
- (e) The name of the consignee, if specified by the consignor.
- (f) The place and date of taking charge of the goods by the multimodal transport operator.
- (g) The place of delivery of the goods.
- (h) The date or the period of delivery of the goods at the place of delivery.
- (i) Whether it is negotiable or non-negotiable.
- (j) The place and date of its issue.
- (k) Freight payable by the consignor or the consignee, as the case may be.
- (l) The signature of the multimodal transport operator or of a person duly authorized by him.
- (m) The intended journey route, modes of transport and places of transshipment, if known at the time of its issue.



Review Questions

I. Write True or False against each statement:

1. Multi-model transportation has become standard purchase in the international trade.
2. Multimodel Transportation Act passed in 1995.
3. In international transportation of goods advances in transport technology has taken place.
4. In Multimodel transport door to door movement of goods is the responsibility of a single transport operator.

II. Question & Answer:

1. Write down the important objective of Multimodal Transportation Act 1993.
2. Discuss important steps of Multimodal Transportation Act 1993.

III. Activity:

Take a case of Indian post office and find out how it uses multimodal transport to send the goods.

5.5 Motor Vehicles Act 1988- Driving Rules

The first enactment relating to motor vehicles in India was the Indian Motor Vehicles Act, 1914, which was subsequently replaced by the Motor Vehicles Act, 1939. The Act of 1939 had been amended several times. In spite of several amendments it was felt necessary to bring out a comprehensive legislation keeping in view the changes in the transport technology, pattern of passenger and freight movements, development of the road network in the country and particularly the improved techniques in the motor vehicles management. A Working Group was, therefore, constituted in January, 1984 to review all the provisions of the Act of 1939. The Working Group taking into account the suggestions and recommendations made earlier by various bodies and institutions had made certain recommendations. A motor vehicles bill was introduced in the Parliament and passed in 1988 now known as Motor Vehicles Act 1988.



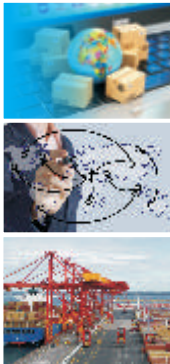
Figure 5.4: Traffic Police In Different Action

5.5.1 Basic Rules of the Road

With new vehicles coming out each day and lot of new drivers behind the wheel, it is imperative that we get back to the basics and make sure we are following the rules and making sure everyone else we know is following the rules. No exceptions - if you are behind the wheel of a car or riding a two wheeler you have to know and follow the rules. According to Road Safety and Highways department following rules to be observed. These rules are referred to as the Rules of the Road Regulations, 1989 and came into effect from the first day of July 1989. Here they are:

1. **Keep Left:** Drive as close to the left side of the road and allow all traffic going in the opposite direction to pass on the right hand side.
2. **Turning Left:** When needing to turn onto a road on the left, stay close to the left side of the road and after making the turn continue on the left side of the road. (Do not cut across lanes from the right side of the road and then turn left).
3. **Turning Right:** When turning onto a road on the right side, first approach the center of the road as safely as possible and then turn to the right and stay on the left side of the road.
4. **Passing:** If there is a need to pass traffic proceeding in the same direction, always pass/overtake them on their right side. The only exception to this would be the case where a vehicle that is trying to turn to the right (and has indicated their intention to turn right) is occupying the center lane and therefore requires passing them on the left side.
5. **Passing Prohibited:** Overtaking / passing a vehicle proceeding in the same direction is prohibited in the following scenarios:
 1. The passing / overtaking would cause inconvenience or danger to any vehicle proceeding in any direction.
 2. On bends / curves in the road or on hills or there are other obstructions present that prevents a clear view of the road ahead.
 3. If the driver behind the current vehicle has already started to overtake the vehicle.
 4. The driver of the vehicle in front has not yet signaled that he may be overtaken.

The solid lines painted on the middle of the road indicate passing is prohibited for as long as the line is a solid line- you will notice them on bridges, curves and where visibility of the road ahead is not present. Overtaking when safe to do so is allowed when the line changes to a dashed line.)
6. **When Being Passed / Overtaken By Another Vehicle:** The driver should not speed up or do anything to prevent the other vehicle from passing.
7. **Intersections:** Drivers should slow down when approaching road corners, intersections, junctions or pedestrian crossings and not enter until sure that such an entry will not endanger the safety of pedestrians or people in other vehicles there.
8. **Right of Way:** When entering an intersection that is not regulated by a traffic signal or by a traffic policeman and which is an entry onto a main road, the driver of the vehicle is to give right of way to the vehicles already proceeding on that road. In all other cases the driver is to give way to traffic approaching from his right hand side and only then proceed.
9. **Emergency Vehicles:** Fire Service Vehicles and Ambulances are to be allowed free passage and drivers of all other vehicles should move their vehicles to the side of the road to do so.



10. **Pedestrians:** Pedestrians have the right of way at uncontrolled pedestrian crossings.
11. **"U" Turns:** "U" turns may be done only when:
 1. Not explicitly prohibited by a sign.
 2. Only after indicating the turn is being planned either through a hand signal or through the vehicle indicators.
 3. After checking the mirrors to make sure there is no traffic from behind.
 4. Checking the road to make sure that there is no other traffic and it is safe to do so.
12. **Required Signals:** These are really hand signals that are mentioned in point 13 of the rules of the road. Very few people actually know the hand signs and use them. It is good to learn them and be prepared to use them if you have any issue with your indicator lights or with your brake lights. The hand signs for the following should be followed if the vehicle brake / indicator lights do not work:
 1. When the vehicle is about to slow down.
 2. When the vehicle is about to stop.
 3. When the vehicle is about to turn to the right side or pass a vehicle on the right.
 4. When the vehicle is about to turn to the left.
 5. When indicating that it is safe for the vehicle behind to pass.
13. **Indicators:** The signals indicated in regulation #13 can be simplified by the use of mechanical or electrical devices (indicators).
14. **Parking:** When parking the vehicle make sure that it does not cause any danger, obstruction or inconvenience for other road users.
15. **Registration:** Loads or goods should not be kept on the vehicle in a manner that obstructs visibility, the headlamps / tail lamps or the registration number of the vehicle. If any obstruction of the registration is done a duplicate is to be kept in a visible spot.
16. **One Way Roads:** On designated "One Way" roads drive only in the direction indicated on the road signs. Do not drive the vehicle in reverse into a "One way" street.
17. **Stop Lines:** At road intersections, pedestrian crossings and stop signs make sure that the vehicle is fully behind the stop lines painted on the road. The driver has to drive taking into account this requirement of stopping before the stop line when required by a stop light or sign or by a police officer.
18. **Towing:** No vehicles may be towed behind another motor vehicle. The only exceptions are:
 1. Mechanically disabled vehicles.
 2. Incompletely assembled vehicles.



3. Registered trailers and sidecars.
 4. The above may be towed only for the purpose of delivery or to the nearest garage or service station.
- 19. Noise:** Drivers should not:
1. Sound the horn more than necessary for safety. Continuously and unnecessary sounding of the horn is illegal.
 2. Sound the horn in designated silent zones (for e.g. such as hospital zones).
 3. Use multi-toned horns that are harsh, shrill, loud or alarming.
 4. Use cut outs for the exhausts.
 5. Drive vehicles that create a lot of noise when in motion.
 6. Drive vehicles without proper mufflers causing a loud sound.
- 20. Traffic Lights & Signs:** Obey the traffic signal lights, the instructions given by the traffic policemen or by designated / authorized people in charge of regulating traffic.
- 21. Following Distance:** Keep sufficient distance behind the vehicle in front to allow distance to stop if the vehicle in front has to stop suddenly.
- 22. Right of Way on Mountain Roads / Steep Roads:** Where the width of the road is not sufficient for vehicles to pass each other safely, the vehicle going downhill has to stop to the side of the road and allow the vehicles going uphill to pass.
- 23. Obstruction of Control:** The driver of the vehicle should not allow a person to sit, stand or place anything that obstructs his control of the vehicle.
- 24. Passing Pedestrians:** When passing a procession, meeting, troops or police on the march or road repair workmen do not drive faster than 25 kilometers per hour.
- 25. Tractor & Goods Carriages:** Drivers of tractors are not permitted to carry passengers on the tractor. Drivers of good carriages should not allow more persons than listed on the vehicle registration to travel in the cabin or take passengers for hire or reward.
- 26. Loading:** Vehicles should not be loaded in such a way that causes danger to other road users. Load carrying vehicles should not have anything extending outside the vehicle towards the front, rear, sides and should also follow allowed maximum height restrictions.
- 27. Dangerous Materials:** Other than the fuel and lubricant necessary for vehicle operation, no explosive, inflammable or other dangerous substance should be carried on any public transport vehicle.
- 28. Driving in Reverse:** The driver should not drive the vehicle in reverse without first making sure that doing so would not cause any danger or inconvenience to any person on the road.



29. Documents to be Carried / Produced on Demand: The person driving the vehicle is to always carry the following documents:

1. Driving License
2. Certificate of registration of the vehicle
3. Certificate of taxation
4. Certificate of insurance
5. For transport vehicles the following additional documents are required:
 1. The permit
 2. Fitness certificate
6. These documents are to be produced on demand by any Police officer in Uniform, Officers of the Motor Vehicles Department in Uniform or by any officer authorized by the Government. If the driver does not have the documents in his/her possession he should produce attested copies in person or through registered post to the officer who demanded it within 15 days.

Traffic Police Signals



To stop vehicles coming from behind



To stop vehicles coming from front



To stop vehicles approaching simultaneously from front and behind



To stop vehicles approaching from left and wanting to turn right



To stop vehicles approaching from right to allow vehicles from the left to turn right



To stop vehicles coming from the right and turning by stopping traffic approaching from the left



Warning signal closing all vehicle



Beckoning vehicles approaching from left



Beckoning vehicles approaching from right



Beckoning vehicles from front

Figure 5.5: Different Signs by Traffic police

Review Questions

I. Question & Answer:

1. Write down the contents of Multimodal Transport documents.
2. Discuss the evolution of Motor Vehicles Act 1988.

II. Match the following statements containing traffic rules of the road:

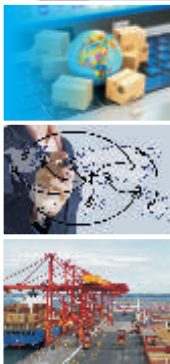
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|---|------------------------|
| 1. Drive as close to the left side of the road and allow all traffic going. | a. Turning right |
| 2. When turning into a road on the right side, first approach the center of road as safely as possible. | b. Keep left |
| 3. Fire service vehicles and ambulances are to be allowed free passage. | c. Noise |
| 4. Drivers should not sound the horn more than necessary for safety. | d. Emergency vehicle |
| 5. Other than the fuel and lubricant necessary for vehicle operation, no explosive should be carried on any public transport vehicle. | e. Dangerous materials |

5.6 Insurance

Cargo insurance has a close relationship with the physical distribution function. Cargo insurance covers the (physical) risk associated with the physical transportation of goods to the foreign buyers.

When the goods have left the exporter's plant or warehouse and are in the course of transportation, the exporter has no physical means for the protection of these goods and must rely upon the ability of the transport company.

When the goods have left the exporter's plant or warehouse and are in the course of transportation, the exporter has no physical means for the protection of these goods and must rely upon the ability of the transport company to which he entrusts them for safe delivery at their intended destination.



Besides the fact that there are several perils and hazards beyond the control of the carrier which the goods may encounter, the carrier in export trade is not an insurer of the merchandise .He is exempted by law from certain causes of losses as well as from the conditions and stipulations.

Review Questions

I. Write True or False against each statement:

1. Passing / Overloading a vehicle proceeding in the same direction is prohibited.
2. Drivers should up the pace approaching road corners, intersections, junctions etc.
3. No vehicles may towed behind another motor vehicle.
4. Do not obey the traffic signal lights, the instructions given by the traffic policeman.
5. Vehicles should not be loaded in such a way that causes danger to other road users.

II. Question & Answer:

1. Write down five important driving rules to be followed on road.

III. Activity:

1. Consult traffic police of your town / city and note down signals used on the road to discuss in the classroom.

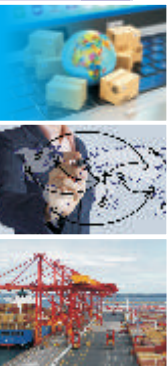


Figure 5.6: Insurance Companies



Figure 5.7: Marine Insurance for Cargoes

5.6.1 Marine Insurance

Marine insurance is a contract of indemnity whereby assurer or underwriter agrees goods against, known as the premium, to protect and indemnify the shipper and / or owner of the goods, or expense goods against loss, damage, or expense in connection with the goods at risks, if the damage is caused by perils specified in the contract known as the policy of insurance.

Irrespective of the terms of export sales contract, mode of transportation, etc. all export consignments should be insured.

The contract will indicate which party has to bear the cost of insuring the goods.

5.6.2 Types of Risks Covered

There are five sets of ILU cargo clauses formulated by the Institute of London Underwriters.

1. Institute Cargo Clause (c)
2. Institute of Cargo Clause (b)
3. Institute of Cargo Clause (a)
4. Institute of Cargo Clause (Cargo)
5. Institute of Cargo Clause (Cargo)

1. Institute Cargo Clause (c)

Covers loss of or damage to the goods insured:

- a. Fire or explosion.
- b. Stranding, grounding, sinking or capsizing of the vessel.
- c. Overturning order ailment of land conveyance.
- d. Collision or contact of vessel, craft or conveyance with any external object other than water.
- e. Discharge of cargo at a port of distress.
- f. General average sacrifice.
- g. Jettison.

2. Institute Cargo Clause (b)

This cover is granted by attaching Institute Cargo Clause (b) to the policy of insurance. In addition to the risks covered under Institute Cargo Clause (c) i.e, item(1) above, the following risks are covered:

1. Loss of or damage to the goods attributable to earthquake, volcanic eruption or lighting.
2. Washing overboard.
3. Washing overboard.
4. Loss of or damage to the goods caused by entry of sea, lake or river water into vessel, craft, hold, conveyance, container liftvan or place of storage.
5. Total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel or craft.
6. Extraneous Perils: As the goods in transit are subject to a large number of non maritime extraneous perils, it is possible to extend the policy issued on Institute



Cargo Clause (b) to cover any or all the following extraneous perils by payment of suitable extra premium.

- a) Theft, pilferage and non-delivery.
- b) Fresh and / or rain water damage.
- c) Hook, oil, mud, acid and damage by other cargo.
- d) Heating and sweating.
- e) Breakage, denting, chipping, scratching and blending.
- f) Leakage.
- g) Bursting and Tearing.

3. Institute Cargo Clause (a)

This cover is granted by attaching Institute Cargo Clause (a) to the policy of insurance. This policy covers all risks of loss of or damage to the goods insured and it is the widest cover. This policy also will not cover the risks excluded under item (1) i.e, Institute Cargo Clause (c).

4 & 5 War & Strike Clause

The shipper / exporter can obtain war, riots, strike and civil commotion cover along with all the three types of policies mentioned above by payment of an additional premium. The above cover is granted by attaching Institute War Clause(Cargo) and Institute Strike Clause (Cargo) to the policy of insurance.



Figure 5.8: Scenes of Ship Sinking with Containers

Review Questions

I. Question & Answer:

1. What do you mean by marine insurance?
2. Discuss the types of risks covered under marine insurance?

II. Write the True or False against each statements:

1. There are five sets of ILU cargo claims formulated by the Institute of London Underwriters.
2. Institute cargo clause (c) covers loss of or damage to the goods insured for five or explosion.
3. Institute cargo clause (b) does not cover risks related to loss of or damage to the goods attributable to earth quake, volcanic eruption.
4. War, riots, strike and civil commotion is covered under Institute cargo clauses (a).
5. All export consignment should be insured.

III. Activity:

1. Contact a general insurance company in your city / town and note the different policies used for vehicles by them to discuss in the classroom.

IV. Match the following statements:

- | | |
|---------------------------------|---|
| 1. Institute cargo clause (c) : | A contrast of indemnity |
| 2. Institute cargo clause (b) : | Institute of London Underwriters |
| 3. War & strike clause : | Covers loss of or damage from fire |
| 4. Marine Insurance : | Cover risks of theft, pilferage |
| 5. ILU : | Exporter can obtain war, riots & strike cover |

5.6.3 What Value Can be Insured?

Marine Insurance Policy is a contract of indemnity but it is not one of pure indemnity. Insurers cannot replace the goods, they agree to pay for such loss to the extent and manner mentioned in the policy.

Exporter should take into account the cost of goods, expenses incidental to shipping, insurance charges and his profit. Normally goods are insured for the CIF value plus ten percent. It is usual to cover 110 % of the actual CIF price of the goods. There can be two reasons for this

When the shipment is not covered by a letter of credit, it may so happen that the buyer, instead of himself collecting the insurance payment for damaged or missing goods, may send the certificate or the policy back to the exporter, asking him (exporter) to replace the



damaged or missing goods and reimburse himself by collecting the insurance money. Such a procedure will mean a higher transit cost to the exporter, and this is covered by the extra ten percent.

When the buyer retires the documents (or makes payments), he has probably also paid for the customs clearance and for the unloading and transit of the goods to his warehouse. Accordingly, he may ask the exporter to insure the goods for a value higher than the CIF value.

There may be a few instances where these charges could be exceptionally heavy and in consequences, the exporter is asked to cover the goods upto much higher (even 150) percent of their CIF value. The insurance premium is higher for such a heavier than normal cover.

5.6.4 Cost of Marine Insurance Premium

Cost of marine insurance premium is quite low, and reliable exporters, doing a fair amount of business, can probably get all the risks covered by paying 0.5% and 1% of the value insured depending on the type of goods that are insured and the types of containers in which they are shipped.

There may be an extra premium on war risks cover, which varies considerably according to the country of destination and in the light of the political conditions prevailing in the country of destination or in countries en route at the time of shipment.

Review Question

- I. Discuss the utility of cargo insurance.

5.6.5 Marine Insurance Claims Procedure

1. In the event of loss or damage to the goods, insured and / or their agents giving the details of loss.
2. It is a condition of the policy of insurance that insured and / or their agents should act as if uninsured and take such measure as maybe reasonable for the purpose of averting or minimising the loss or damage to the goods. Insured or his agent must also insure that all rights against carriers, bailees or other third parties are properly preserved.
3. While taking delivery of goods from the carriers and / or bailees, if the packages show any outward sign of loss or damage, insured and / or their agents must call for a detailed survey by ship surveyors on such survey by ship surveyors on such packages and also lodge a proper monetary claim on the Shipping Company for loss or damage found in the packages.
4. In case of packages which are found to be missing, insured must lodge a proper monetary claim for full value of the missing packages with the Shipping Company and also with the bailees, and obtain a proper acknowledgement from them.

5. In terms of Carriage of Goods Sea Act, 1925, the time limit for filing suit against Shipping Companies is one year from the date of discharge. Following documents are required:
- A) Original insurance policy
 - B) Original invoice and packing list
 - C) Copy of bill of lading
 - D) Survey reports / shortland / non delivery / landed but missing certificate
 - E) Copies of correspondence exchanged with carriers or bailees
 - F) Claim bill.

Review Questions

I. Question and Answer:

1. Discuss steps used in marine insurance claims.
2. In the event of loss or damage to the goods, agents give the details of claims, which are?

II. Fill in the blanks:

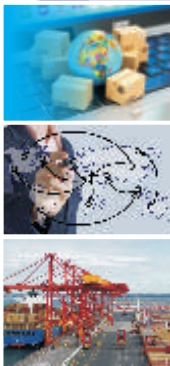
1. In case of package which are found to be missing, insured must lodge a proper claim.
2. The time limit for filing suit against shipping companies is year from the date of discharge.
3. A proper monetary claim on lodged for loss or damage.
4. Documents required for under marine insurance claims are.
1. 2. 3.

5.7 Summary

Motor vehicles Act 1988 with driving rules to be followed has been widely discussed. Special attention is given on road traffic rules. Another important aspect of international trade related to cargo insurance is also dealt giving an idea of marine insurance its types, claims procedure.

5.8 Exercise

1. What is multimodal transport.
2. Name the reason responsible for the development of multimodal transportation.
3. How many documents are needed under multimodal transportation?



4. Discuss the registration process under the provision of multi-modal transportation Act, 1993.
5. Explain in brief the appeal process of Multiple-modal transportation Act, 1993.
6. Write down the important content of multi-modal transport document.
7. What do mean by motor vehicles Act, 1988 with driving rules?
8. Discuss the basic rules of the road.
9. Write short notes based on basic rules of the road.
 - (a) Keep left
 - (b) Passing
 - (c) Intersections
 - (d) U turn
 - (e) Pedestrians
 - (f) Required signals
 - (g) One way road
 - (h) Stop lines
 - (i) Traffic light and signs
 - (j) Obstruction of Control
 - (k) Dangerous materials
10. Write down the documents which is to be carried or produce when demanded by authorities while driving any vehicle.
11. What is cargo insurance?
12. Write short notes on the types of risks given under International London Underwriters.
 - (a) Institute of cargo clause (c)
 - (b) Institute of cargo clause (b)
 - (c) Institute of Cargo clause -War & Strike Clause
13. What are the different cost items considered while insuring any value under insurance policy to an exporter?
14. Write down the important steps of marine insurance claims procedure?
15. Explain in brief, the important documents used for marine insurance policy?
16. **Match the following:**

a. Multimodal transportation of goods covered under	:	Without registration
b. No person to carry business	:	Valid for a period of three years.
c. A certificate granted under sub-section (3) of multi modal transportation act 1993	:	One document
d. Any person aggrieved by an order made by the component authority	:	After the expiry of the period



- e. No appeal shall be admitted : May prefer an appeal to central government

17. **Write True or False against each statements:**

- a. Passing / overtaking would cause convenience to any vehicle proceeding in any direction.
- b. Drivers should not sound the horn more than necessary for safety.
- c. When parking the vehicle make sure that it cause danger and obstruction.
- d. The person driving the vehicle always carry certificate of insurance.
- e. For transport vehicles no additional documents are required.

5.9 Practical

- 1. Visit nearby railway station in your city / town and prepare a note on how goods carriage is done through multimodal transportation.
- 2. Contact a carrier company near by in your city / town to prepare a note on different documents used under multi-modal transportation Act, 1993.
- 3. Contact at least 10 car drivers and ask the basic driving rules to them mentioned in this chapter to prepare a chart of their knowledge to driving rules.
- 4. Visit a transport company in your city / town to know the kind of documents they are using for movements of cargoes and coverage of risks to discuss in the class.
- 5. Contact any general insurance company representation to prepare a note on claims procedure for any kind of risks under insurance policy to discuss in the class.







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