

*The Hong Kong Polytechnic University*  
*Department of Logistics and Maritime Studies*  
*Research Seminar*

**The Indemnity Principle in Cargo Insurance for Multimodal Transport:  
A Comparative Study of English and Chinese Law**

by

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**Date: 25 February 2016 (Thursday)**

**Time: 10:30am - 11:30am**

**Venue: M108, Li Ka Shing Tower**

**The Hong Kong Polytechnic University**

**(Conducted in English)**

**Abstract:**

With the growth of multimodal transport, there is a pressing need for provision of insurance for goods in multimodal transport. Marine cargo insurance policy expands its duration of cover to 'warehouse-to-warehouse'. However, problems remain for marine cargo insurance to cover goods in multimodal transport: Firstly, marine cargo insurance does not cover the whole period when goods are in the custody of the multimodal transport carrier. Secondly, the nature of marine cargo insurance shows its inherent incapability in covering transport without maritime perils. Thirdly, the divergence of marine and non-marine insurance law creates a dilemma relating to the application of law, when the multimodal transport contains maritime perils. A cautious assured may purchase insurance for each transport leg separately.

Multimodal transport undoubtedly requires a comprehensive insurance cover for period when goods are in the custody of the multimodal transport carrier, irrespective of the transport modes. The law of such insurance shall consider the divergences in marine insurance and non-marine insurance. The indemnity principle, as the most basic principle of insurance law, has its universal applications in both marine insurance and non-marine insurance. Under the indemnity principle, the assured is entitled to be compensated in monetary nature for any

loss caused by the insured risks so that he is in the position in which he was when the insured subject-matter became subject to the risk of loss from the insured perils. The meaning of the indemnity principle is, to certain extent, different between English law and Chinese law, particularly in the areas of the insurer's duty to reimburse the claims in a timely manner, and the measurement of damages in carriage of goods. Existing literature does not contain a dedicated research on cargo insurance in the context of multimodal transport; in particular, the indemnity principle that applies to it from the perspective of a comparative study.

Therefore, the aim of this study is to investigate the application of indemnity principle in cargo insurance in the context of multimodal transport, through a comparative study between English law and Chinese law. Research methods employed in this study include literature review and desk research, legal case study, legal comparative study, one round of questionnaire survey and interviews.

**Bio:**

Zhang Mingzhao is a PhD candidate in the Department of Logistics and Maritime Studies, Faculty of Business, The Hong Kong Polytechnic University. She received her Master degree (2012) in International Shipping and Transport Logistics from The Hong Kong Polytechnic University and her Bachelor degree (2010) in Maritime Law from Dalian Maritime University. Her research interests cover insurance law, marine insurance law and marine pollution.

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**All are welcome!**