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LEGAL OPINION

Marine insurance / Duty to disclose / Insurance broker

A yacht was insured through intervention of insurance brokers. During the life of the insurance contract, the owners changed their name to reflect the fact the shareholding had changed, and they now had a sole partner. This was not notified to the underwriters. The yacht was lost due to an engine fire.

The owners sought insurance remuneration, however, the underwriters refused to pay, invoking that they were not notified of the name change, nor did they approve same, accordingly the insurance contract was annulled.

The insurance broker involved, was sued, together with the insurers, by the owners. The broker admitted they had to advise the insurers accordingly. However, knowledge by the broker of the name change did not bind underwriters. The Court rejected the claim accepting insurers allegations.

Supreme Court Judgment no 1931/2017, Presiding: G. Sakkas, Rapporteur Judge: G. Papandreou, Attorneys at law: St. Papandreopoulos, K. Kalavros, Maritime Law Review vol. 46, p. 41.

NOTE: The insurance broker undertakes the preparatory work for the entering into of the insurance contract. However, he does not represent the underwriter and may not issue insurance contracts. He may receive premium, however, and receive commission for his services from the underwriter.

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