

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Tenth Session

RESTRICTIONS IN REGARD TO TRANSPORT INSURANCE

Report by the Working Party

In accordance with its terms of reference the Working Party considered a Draft Resolution proposed by the Government of the United States on Freedom in Transport Insurance. The Working Party agreed to recommend to the CONTRACTING PARTIES the attached text of a Recommendation. Some members of the Working Party stated, however, that in the absence of instructions they must enter reservations. Moreover, since it appeared improbable that they would be able to withdraw their reservations in the course of the present Session, they proposed that a final decision on the Recommendation should be deferred to the Eleventh Session.

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.

The Working Party has taken note of the view expressed by certain delegations that due recognition should be given to the need for developing and strengthening national insurance enterprises in under-developed countries, that such countries should be free to adopt measures directed towards such developmental assistance to national enterprises, and that this recognition should be embodied in the Recommendation. The Working Party wishes to stress that the Recommendation is concerned only with obstacles to international trade arising out of restrictive measures in the field of transport insurance and that it is not concerned with governmental policies with regard to national insurance as such.

The Working Party believes that after the adoption of the Recommendation by the CONTRACTING PARTIES it would be desirable to provide for a review of the situation from time to time with respect to restrictions in regard to transport insurance.

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 Fifteenth Session (Resolution 468 H (XV) of 16 April 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 entering into 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 now 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 to the Executive Secretary any information relevant to the subject matter of this Recommendation not previously reported to him, including the steps they have taken to eliminate measures contrary to the purpose of this Recommendation.