

Legal Reshaping and Practical Examination of the Definition of Insurable Interest in Marine Insurance Contracts against the Backdrop of Diverse Maritime Risks

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Abstract: This article mainly studies how to define insurable interests in marine insurance contracts in order to meet the evolving needs of modern maritime industry when marine risks are diversified. Firstly, this article makes a detailed analysis of various types of marine risks and their causes, including natural disasters, political changes, market fluctuations, technological innovation and other risks, and deeply explores the far-reaching impact of these risks on the marine insurance industry. Subsequently, the article traces back to the traditional definition method of insurable interest in marine insurance contracts, and reveals its limitations in the application of contemporary maritime industry. Based on this, this article further explores the new trend of defining insurable interests in marine insurance contracts, and puts forward the direction and strategy of legal framework reconstruction. The diversity of marine risks requires that the definition of insurable interests in marine insurance contracts should be more flexible and adaptable. The reconstruction of legal framework has become the key way to meet this challenge, including the revision and improvement of laws and regulations, and strengthening international legal cooperation and exchanges.

1. Introduction

In today's wave of globalization, international trade and maritime industry are like ties, closely connecting every corner of the world economy. As the patron saint of risks in this field, marine insurance has built a solid barrier for the smooth progress of international trade and the steady progress of the maritime industry [1]. It not only provides a safety net for shipowners, shippers and other stakeholders, but also helps to build the credit cornerstone of international trade and promote the vigorous development of the shipping market [2].

With the rapid change of the global environment and the constant adjustment of the international trade pattern, maritime risks are becoming more and more complex and diverse [3]: frequent natural disasters, political turmoil, unpredictable market fluctuations, and unforeseen challenges brought by technological innovation. These risk factors are intertwined, which makes the definition of insurable interest in marine insurance contracts encounter unprecedented difficulties [4]. The traditional definition method has been difficult to fully cover these emerging risks, which has greatly reduced the effectiveness of insurance contracts and may even lead to many insurance disputes.

In view of this, how to define the insurable interest of marine insurance contract scientifically and reasonably to meet the development demands of modern shipping industry has become an urgent task before us under the background of increasingly diversified marine risks [5]. The purpose of this study is to deeply analyze the far-reaching influence of the diversity of marine risks on the definition of insurable interests in marine insurance contracts, examine the shortcomings of the existing legal framework and practical operation, and put forward practical improvement plans accordingly. It is expected that this study will provide practical guidance for the definition of insurable interests in marine insurance contracts, help the sustained and healthy development of marine insurance industry and contribute to the prosperity of international trade and maritime industry.

2. Diversity of marine risks

In the field of marine transportation and international trade, as an unavoidable reality, the complexity and diversity of marine risks are becoming increasingly apparent. Marine risks can be subdivided into many types [6]. Taking natural disasters as an example, typhoons, tsunamis and earthquakes pose an immediate and devastating threat to maritime shipping. These disasters are usually unpredictable, and once they break out, they will cause serious damage to ships and goods. Political risks involve social and political turmoil such as wars, coups and strikes. These incidents may lead to the blockade of routes and the obstruction of port operations, which will affect the smooth maritime transportation. Market risk is also a part of marine risk that cannot be ignored [7]. Factors such as fluctuations in the international market environment, exchange rate changes, and changes in demand may indirectly affect maritime transportation, as shown in Table 1.

Table 1 Types of Maritime Risks and Impact Examples Table

Risk Type	Specific Examples	Impact Description
Natural Disaster Risk	Typhoons, Tsunamis, Earthquakes	Cause immediate and devastating damage to ships and cargo
Political Risk	Wars, Coups, Strikes	May lead to route blockades and disrupted port operations
Market Risk	Fluctuations in the international market environment, Exchange rate changes, Demand shifts	Indirectly affect maritime transport

What are the causes of diversification of marine risks? Global warming is undoubtedly a key factor. It makes extreme weather events increase and the risk of natural disasters rise [8]. Geopolitical instability is the main source of political risks. The turmoil in the international political structure may trigger regional conflicts and tensions. In addition, the change of international trade environment is also the key to the diversification of market risks. The acceleration of globalization and the adjustment of trade rules have had a far-reaching impact on maritime transportation. The influence of marine risk diversity on marine insurance industry is also obvious. In the design of insurance products, insurance companies need to constantly update to adapt to new risk types and introduce more comprehensive and flexible products to meet market demand [9]. In terms of risk assessment, insurance companies need to assess the possibility and influence of various risks more accurately in order to formulate reasonable insurance rates. Insurance companies need to handle cases efficiently and fairly to ensure that the rights and interests of policyholders are safeguarded. Therefore, the diversity of marine risks poses higher standards and challenges to the marine insurance industry, prompting insurance companies to constantly innovate and improve their business models and risk management mechanisms.

3. Traditional definition and legal basis of insurable interest in marine insurance contract

3.1. Traditional definition of insurable interest in marine insurance contract

In the field of marine insurance, the definition of insurable interest traditionally refers to the legitimate, economically valuable and unmistakable interest held by the applicant or the insured in marine assets or related rights and interests [10]. This concept is deeply rooted in the insurance legal principles, emphasizing three aspects: legality, economy and certainty. See Table 2 for details.

In the traditional practice of marine insurance, insurable interests are usually closely related to specific marine property or interests such as ships, cargo and freight. The insured or the insured must have the legally recognized rights such as ownership, mortgage and lease right to these properties or interests in order to constitute insurable interests.

Table 2 Elements and Importance of Insurable Interest in Maritime Insurance

Element	Description	Importance/Role
Legality	The interest held by the insurer or the insured in maritime assets or related rights and interests must be legal	Ensures the legal validity of the insurance contract and avoids legal disputes
Economic Value	The interest held by the insurer or the insured must have economic value	Serves as the basis for measuring insurance compensation and ensures the reasonable determination of compensation amounts
Certainty	The interest held by the insurer or the insured must be clear and unambiguous, with no disputes	Guarantees that compensation can be promptly and accurately made in the event of an insured incident

3.2. Legal basis of insurable interest in marine insurance contract

The legal basis of insurable interests in marine insurance contracts mainly comes from insurance laws and regulations of various countries and international maritime conventions. These laws, regulations and conventions not only clarify the definition and principles of insurable interest, but also stipulate the rights and obligations of both parties to the insurance contract. They provide legal guarantee for the signing and performance of marine insurance contracts. On the legal level, insurable interest is a prerequisite for the validity of an insurance contract, and an insurance contract without insurable interest is considered invalid. This is because the existence of insurable interests can ensure that the insured or the insured has real economic interests when they suffer losses, thus preventing moral hazard and gambling.

The law also stipulates that insurable interests must exist or will inevitably occur when the insurance contract is signed. This requirement aims to protect the legitimate rights and interests of insurance companies and prevent the insured or the insured from maliciously taking out insurance and obtaining improper benefits without actual benefits [11]. The legal basis of insurable interest in marine insurance contract is an important cornerstone to maintain the order of marine insurance market and protect the legitimate rights and interests of both parties to the insurance contract.

4. Legal reconstruction under the background of marine risk diversity

4.1. Modern definition trend of insurable interest in marine insurance contract

With the increasing diversity of marine risks, the definition of insurable interests in marine insurance contracts also presents a new trend. The traditional definition of insurable interest mainly focuses on the direct economic rights and interests of the insured or the insured in marine property or related interests. In the modern shipping industry, maritime risks not only involve ships, goods and other physical properties, but also cover environmental protection, supply chain security, network security and many other aspects. Therefore, the insurable interests of marine insurance contracts have also begun to expand to these emerging fields. The modern definition trend pays more attention to the flexibility and inclusiveness of insurable interests, which is no longer limited to traditional property rights and interests, but brings more diversified interests into the scope of insurance protection. With the development of science and technology and the change of international trade environment, the definition of insurable interest also pays more attention to foresight and adaptability to adapt to the new changes and challenges of maritime risks.

4.2. The path and strategy of legal reshaping

Faced with the challenge of the diversity of maritime risks, legal remolding has become an inevitable choice, as shown in Table 3.

First of all, the relevant departments need to revise and improve the existing marine insurance laws and regulations, and clarify the definition standards and principles of insurable interests in emerging fields. This requires legislators to keep up with the pace of the times, deeply understand the actual needs and risk changes of the maritime industry, and formulate laws and regulations that are in line with international practices and adapt to their national conditions. Secondly, we should

strengthen international legal cooperation and exchange and promote the formation of a unified legal framework for marine insurance. Due to the international characteristics of the maritime industry, the legal application of marine insurance contracts usually involves many countries and regions. Therefore, it is of great significance to strengthen international legal cooperation and coordinate the legislative differences among countries to promote the healthy development of marine insurance industry. Finally, in the process of law enforcement, the diversity and complexity of maritime risks should be fully considered, and flexible legal interpretation and application should be allowed within a certain range. At the same time, the insurance industry and innovative subjects are encouraged to actively explore new insurance products and service models to meet the new demand of the shipping industry for risk protection.

Table 3 Legal Reshaping Strategies in Response to the Diversity of Maritime Risks

Strategy No.	Strategy Content	Specific Implementation Points
1	Revise and Improve Maritime Insurance Laws and Regulations	Keep pace with the times and understand the needs of the maritime industry; Clarify the standards and principles for defining insurable interest in emerging areas; Formulate laws that conform to international practices and adapt to national conditions
2	Strengthen International Legal Cooperation and Exchange	Promote the formation of a unified legal framework for maritime insurance; Coordinate legislative differences among countries to promote the healthy development of the maritime insurance industry
3	Emphasize Flexibility and Innovation in Legal Practice	Consider the diversity and complexity of maritime risks in legal implementation; Allow flexibility in legal interpretation and application; Encourage the insurance industry to explore new insurance products and service models

5. Conclusions

This article discusses the definition of insurable interest in marine insurance contract under the background of marine risk diversity. By analyzing the types and causes of marine risks in detail, this article reveals the challenges brought by the diversity of marine risks to the marine insurance industry, especially in the aspects of insurance product design, risk assessment and claim settlement. This article also reviews the traditional definition of insurable interest in marine insurance contracts and points out its limitations in modern shipping industry. On this basis, the modern definition trend of insurable interest in marine insurance contracts is further discussed, and the importance of flexibility and inclusiveness is emphasized. At the same time, this article puts forward the path and strategy of legal remodeling. These include revising and perfecting laws and regulations, strengthening international legal cooperation and exchange, and paying attention to flexibility and innovation in legal practice. It is expected that this research can provide theoretical support and practical guidance for the reasonable definition of marine insurance contracts and promote the healthy development of marine insurance industry.

With the continuous growth of global trade and the continuous development of maritime industry, maritime risks will present more complex and diverse characteristics. Therefore, the definition of insurable interest in marine insurance contracts will continue to be concerned. This article suggests that legislators should pay close attention to the actual demand and risk changes of the marine industry, adjust and improve relevant laws and regulations in time, and provide more clear and powerful legal protection for the marine insurance industry. The insurance industry should also actively innovate and develop insurance products and service models that are more suitable for the diversity of marine risks and meet the diversified needs of policyholders and insured. In addition, strengthening international legal cooperation and exchange is also an important direction for future development. By coordinating the legislative differences among countries, a unified legal

framework for marine insurance will be promoted, which will provide strong support for the prosperity and development of the international shipping industry.

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