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## **Report of the IUMI Liaison Officer to the ICC**

<p style="text-align: center;"><b>IUMI TOKYO CONFERENCE – 2006</b> <b>REPORT ON THE ACTIVITIES OF</b> <b>THE INTERNATIONAL CHAMBER OF COMMERCE</b> <b>(ICC)</b></p>
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- **REVISION OF THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS OF THE INTERNATIONAL CHAMBER OF COMMERCE – UCP 600 (former UCP 500).**

In 2005, the ICC Commission on Banking Technique and Practice continued working on the revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce – UCP 600 (former UCP 500).

As indicated in our report of last year, the French Association – as the representative both of IUMI and of the French Market – had been approached by the ICC to give the insurers' comments on a first draft intended to replace the UCP 500 and reflect the changes that had occurred in the international trade practices its last revision.

After collecting all the National Committees' comments and incorporating the changes requested, the Drafting Group of UCP 600 sent a latest draft version to the Commission members in June 2006, just for general comments unless National Committees had serious concerns as to the content and directions of an Article(s).

After a close survey of this last draft, the French Association was pleased to note that all the insurers' suggestions and requirements had been taken into account.

It is very important indeed, the French Market stressed in its comments, that the text of UCP 600 specifies clearly that an insurance certificate may be signed by proxy, since, in most insurance markets, the common practice is that agents or representatives of the insurer are authorized to sign insurance certificates either as insurance agents or as authorized by an insurance company for a specific insurance contract (most frequently a broker who in this case acts for the insurer).

Another point of importance is that a certificate of insurance and generally any insurance documents may under certain circumstances make reference to an exclusion clause. (In this respect, it must be reminded that a certificate of insurance certifies that an insurance has been effected and contains certain terms of a full-length insurance). However, in no case shall this certificate override the provisions of the policy to which it refers. For instance, the fact that a risk excluded under a policy does not appear in a certificate of insurance does not mean that such exclusion has been waived by the insurer. As a rule, the rights of the holder of the certificate of insurance are strictly those provided in the policy, regardless of any other insurance documents.

Another provision laid down in Article 28. f. iii of the UCP 600 states that "The insurance document must indicate that risks are covered at least between the place of taking in charge or shipment as stated in the credit and the place of taking in charge or final destination as stated in the credit". It must be pointed out that this provision reflects exactly the practice of the marine insurance markets.

Finally, as already noted and as far as insurance matters are concerned, all requirements made by the insurers have been met with and the final project of UCP 600 was approved without reservation by the FFSA on behalf of IUMI and of the French market.