

# *Research on Procedural Barriers of Cross-border Claims and Construction of Diversified Dispute Resolution Mechanisms in Shipping Insurance*

**Rongqu Cen**

*Guangdong Hong and Partners Law Firm, Guangzhou 511400, Guangdong, China*

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**Abstract:** With the sustained expansion of cross-border shipping trade under the Belt and Road Initiative, cross-border shipping insurance business encounters increasingly prominent procedural barriers in the process of cross-border claims settlement. This paper analyzes core procedural barriers under the existing legal framework from bilateral treaty, regional agreement and domestic legal system dimensions, puts forward targeted legal optimization paths, constructs a systematic diversified dispute resolution mechanism, and provides institutional reference for efficient disposal of cross-border shipping insurance claims.

## **1. Realistic Basis and Development Status of Cross-border Claims in Cross-border Shipping Insurance**

The deepening integration of the global shipping trade network under the Belt and Road Initiative lays the core realistic foundation for the sustained expansion of cross-border shipping insurance business. The continuous growth of cross-border cargo transportation volume along the route drives the substantial increase of market demand for shipping risk protection, and makes cross-border claims the core link to fulfill the risk guarantee function of shipping insurance products. The smooth progress of cross-border claims directly affects the risk resistance capacity of shipping market entities and the stable operation of the entire cross-border shipping trade chain<sup>[1]</sup>.

Cross-border shipping insurance cross-border claims business presents clear phased development characteristics in the current international shipping market environment. The business coverage of cross-border shipping insurance has extended to most countries and regions along the Belt and Road, and the types of underwriting products have expanded from traditional cargo transportation insurance to comprehensive insurance covering ship operation, port liability and maritime accident risks. Relevant market entities have gradually formed preliminary cross-border claims cooperation models in long-term practice, and also exposed the mismatch between existing claims procedures and the fast-growing cross-border business demand<sup>[2]</sup>.

The realistic demand for efficient cross-border claims disposal runs through the whole development process of the cross-border shipping insurance market. The existing development

status of cross-border claims business clarifies the core direction of subsequent legal system optimization and dispute resolution mechanism improvement. The systematic sorting of realistic basis and development status also provides sufficient practical support for the analysis of procedural barriers and the construction of diversified resolution mechanisms in the following research.

## **2. Analysis of Procedural Barriers of Cross-border Shipping Insurance Cross-border Claims under the Existing Legal Framework**

### **2.1 Current Situation of Insufficient Coverage of Cross-border Shipping Insurance Claims Issues in Bilateral Maritime Treaties**

Bilateral maritime treaties serve as the core legal basis for cross-border shipping cooperation between countries along the Belt and Road. Such treaties build the basic framework for shipping rights and obligations confirmation between contracting countries, and also constitute the bottom-line institutional support for cross-border shipping business circulation. The matching degree of treaty content and cross-border shipping insurance business needs directly determines the smoothness of cross-border claims procedures between the two countries<sup>[3]</sup>.

The content design of existing bilateral maritime treaties has obvious structural omissions in the field of cross-border shipping insurance claims. Most of the effective treaties focus on the agreement of shipping navigation safety, port management jurisdiction and crew rights protection, and rarely involve the core procedural issues of cross-border insurance claims. The treaty provisions do not set clear rules for cross-border evidence mutual recognition, claims standard unification and jurisdiction coordination of insurance disputes, and most of the treaties signed in the early stage have not been updated to cover the new cross-border shipping insurance business forms derived from the development of cross-border e-commerce<sup>[4]</sup>.

The insufficient coverage of bilateral maritime treaties directly forms the primary procedural barrier for cross-border shipping insurance claims. The lack of clear treaty rules leads to frequent conflicts of jurisdiction and non-recognition of evidence in cross-border claims practice, prolongs the claims cycle, increases the time and economic cost of relevant market entities, and also becomes the core problem to be solved first in the subsequent improvement of cross-border claims cooperation rules.

### **2.2 Limitations of Cross-border Claims Provisions in Regional Shipping and Trade Agreements**

Regional shipping and trade agreements are important institutional carriers for coordinated development of shipping industry among countries along the Belt and Road. Such agreements build a multilateral cooperation framework for shipping trade circulation in the region, and also provide a unified rule basis for the coordinated handling of cross-border shipping business matters. The completeness and operability of the provisions in the agreement directly affect the efficiency of cross-border shipping insurance claims among countries in the region.

The existing cross-border claims provisions in regional shipping and trade agreements generally have the problems of principled orientation and lack of operability. Most of the provisions only make declarative expressions on the cooperation of shipping insurance business, and do not formulate specific and enforceable procedural rules for the whole process of cross-border claims. The provisions of different regional agreements are fragmented and inconsistent, and there is no unified standard for the setting of claims time limit, the distribution of burden of proof and the recognition and enforcement of claims related rulings, and no special dispute resolution channel matching the timeliness requirements of shipping insurance claims is set up<sup>[5]</sup>.

The inherent limitations of regional agreement provisions restrict the formation of a unified collaborative environment for cross-border shipping insurance claims. The principled and fragmented provisions cannot resolve the procedural conflicts in cross-border claims practice, cannot form an effective multilateral coordination mechanism for claims disposal, and also become the core pain point in the construction of unified rules for regional cross-border shipping insurance dispute resolution.

### **2.3 Docking Gaps between China's Domestic Insurance and Maritime Legal System and International Rules**

China's domestic insurance and maritime legal system is the core institutional basis for domestic underwriting institutions to carry out cross-border shipping insurance claims business. The system sets the basic compliance requirements for domestic institutions to handle cross-border claims matters, and also defines the boundary of rights and obligations of all parties in the claims process. The degree of convergence between domestic legal provisions and international prevailing rules directly affects the international adaptability of domestic institutions' cross-border claims business.

There are obvious disconnection points between the provisions of China's current domestic legal system and the prevailing international shipping insurance rules and practices. There are inconsistent provisions on the time limit of insurance claims, the distribution of burden of proof and the exercise of subrogation rights between China's Insurance Law and Maritime Law and the widely used international insurance association clauses and shipping practices. The domestic legal system has not formulated detailed operational rules for the jurisdiction of cross-border insurance disputes and the recognition and enforcement of foreign relevant rulings, and there is no special procedural specification for cross-border shipping insurance claims<sup>[6]</sup>.

The docking gaps between domestic legal system and international rules directly aggravate the procedural obstacles of cross-border claims for domestic institutions. The inconsistent rules lead to the dual compliance pressure faced by domestic underwriting institutions in cross-border claims practice, increase the legal risk and disposal cost of claims business, and also become the core direction for the subsequent improvement of China's domestic shipping insurance legal system.

## **3. Legal Optimization Paths and Construction Schemes of Diversified Dispute Resolution Mechanisms for Cross-border Shipping Insurance Cross-border Claims**

### **3.1 Specific Measures for Legal Cohesion of Cross-border Shipping Insurance Claims at the Bilateral Level**

Bilateral legal cohesion is the core entry point to resolve the procedural barriers of cross-border shipping insurance claims between countries along the Belt and Road. Targeted bilateral rule design can directly resolve the institutional conflicts between two contracting countries, and adapt to the actual needs of cross-border shipping insurance business between the two sides. The targeted improvement of bilateral legal rules also forms the basic unit of the entire cross-border claims cooperation system.

Targeted supplementary and revised design of bilateral maritime treaty provisions can effectively fill the existing institutional gaps in cross-border insurance claims. Countries can add special chapters on cross-border shipping insurance claims in newly signed or revised bilateral maritime treaties, clarify unified standards for evidence mutual recognition, jurisdiction coordination and claims time limit in the provisions, and formulate clear rules for the recognition and enforcement of claims-related rulings. Countries can also establish a regular bilateral insurance claims consultation mechanism, update treaty content in a timely manner according to the development of new business

forms such as cross-border e-commerce shipping, and form a dynamic adjustment mechanism for bilateral rules<sup>[7]</sup>.

Sound bilateral legal cohesion rules can build a direct and efficient institutional bridge for cross-border claims between the two countries. The complete and operable bilateral rules can effectively resolve the jurisdiction conflicts and evidence recognition problems in cross-border claims practice, shorten the claims cycle, reduce the disposal cost of market entities, and also lay a solid practical foundation for the construction of regional unified rules<sup>[8]</sup>.

### **3.2 Construction Ideas of Unified Rules for Cross-border Shipping Insurance Claims Dispute Resolution at the Regional Level**

Regional unified rule construction is the key support to form a coordinated cross-border shipping insurance claims environment along the Belt and Road. Multilateral rule design in the region can break the limitations of scattered bilateral rules, and form a consistent institutional environment for cross-border claims among multiple countries in the region. The systematic construction of regional unified rules also adapts to the integrated development trend of shipping trade along the route.

Systematic optimization of regional shipping and trade agreement provisions and supporting mechanisms can break the constraints of existing fragmented rules<sup>[9]</sup>. Relevant regional organizations can add special operational provisions for cross-border shipping insurance claims in regional agreements, formulate unified procedural standards for the whole process of claims, clarify consistent rules for burden of proof distribution, claims time limit and ruling enforcement, and form a unified identification standard for shipping insurance clauses and practices. A special regional shipping insurance dispute resolution center can be set up to build a fast dispute resolution channel matching the timeliness requirements of shipping claims, and realize the coordinated linkage of dispute resolution among countries in the region.

Complete regional unified rules can achieve efficient coordinated linkage of cross-border claims among multiple countries in the region. The unified and standardized regional rules can effectively resolve the procedural conflicts caused by inconsistent provisions of different agreements, form an effective multilateral collaborative mechanism for claims disposal, and also provide practical samples for the formulation of international cross-border shipping insurance rules.

### **3.3 Improvement Direction of China's Domestic Legal System for Shipping Insurance Cross-border Claims**

Improvement of domestic legal system is the fundamental guarantee for Chinese underwriting institutions to carry out cross-border shipping insurance claims business in a standardized manner. The improvement of domestic legal rules can clarify the compliance boundary of domestic institutions in cross-border claims business, and resolve the legal risks caused by the disconnection between domestic rules and international practices. The targeted optimization of domestic legal system also provides a solid institutional basis for China to participate in bilateral and regional cross-border insurance cooperation<sup>[10]</sup>.

Targeted revision and refinement of domestic insurance and maritime legal provisions can effectively fill the existing docking gaps with international prevailing rules. China can optimize the relevant provisions of the Insurance Law and Maritime Law, unify the standards of insurance claims time limit, subrogation right exercise and burden of proof distribution with international widely used insurance clauses and shipping practices, and formulate detailed operational rules for the jurisdiction of cross-border shipping insurance disputes. China can also introduce special procedural specifications for cross-border shipping insurance claims, clarify the operational process

of recognition and enforcement of foreign relevant rulings, and form a complete domestic legal system covering the whole process of cross-border claims<sup>[11]</sup>.

A sound domestic legal system can effectively enhance the international adaptability and competitiveness of China's cross-border shipping insurance business. The domestic rules effectively connected with international practices can reduce the dual compliance pressure of domestic institutions in cross-border claims practice, resolve the core procedural barriers of claims business, and also enhance China's voice in the formulation of international shipping insurance rules.

### **3.4 Establishment of a Procedural Evidence Governance Mechanism for Cross-border Shipping Insurance Claims**

The construction of a procedural evidence governance mechanism is an essential practical support for improving the efficiency of cross-border shipping insurance claims. Compared with ordinary commercial insurance claims, shipping insurance claims usually involve multiple subjects, mobile evidence carriers, different jurisdictions, and rapidly changing factual conditions. Cargo damage, vessel collision, delay, port detention and maritime accident claims are often supported by bills of lading, insurance policies, survey reports, captain's statements, port records, customs documents, meteorological data, navigation trajectories and cargo inspection materials. If these materials are collected separately by different parties without unified procedural standards, disputes over authenticity, completeness and probative value will arise before the substantive liability issue is even examined. Therefore, evidence governance should become an independent mechanism beyond legal rule connection.

A standardized evidence list should first be established according to the type of insured risk and claim scenario. For cargo transportation insurance, the list may include policy documents, commercial invoices, packing lists, delivery records, inspection reports, photographs of damaged goods, temperature records and loss mitigation documents. For ship operation or port liability insurance, the list should further cover vessel logs, accident reports, port operation records, maintenance records and third-party liability materials. The function of such a list is not to replace judicial or arbitral rules of evidence, but to provide a stable procedural guide for insurers, insured parties, brokers, carriers, ports and loss adjusters at the early stage of claims settlement.

On this basis, a digital claims dossier system should be introduced to strengthen the traceability and integrity of evidence. Each claim file may be assigned a unified identification number, and all uploaded materials should contain basic metadata such as source, time of formation, submitting party, language version, translation information and verification status. For electronic records, technical measures such as time stamping, electronic signature, encrypted storage and access logs may be used to prevent later alteration or selective submission. For paper documents, scanned copies should be accompanied by information on the original holder and certification method. This procedural design can reduce factual disputes caused by fragmented evidence circulation and provide more reliable materials for subsequent negotiation, mediation, arbitration or litigation.

Independent expert verification should also be embedded into the evidence governance process. Cross-border shipping insurance claims often require professional assessment of cargo deterioration, seaworthiness, causation, accident impact and reasonable salvage measures. When parties submit conflicting survey reports, a neutral expert or expert panel may be appointed to conduct supplementary review. The expert opinion should focus on technical facts rather than legal liability, so that it can serve as a common factual basis for different dispute resolution procedures. Meanwhile, confidentiality obligations and data protection rules should be clarified to avoid commercial information leakage during cross-border evidence sharing.

Through procedural evidence governance, cross-border claims can be transformed from a passive document review process into an organized factual clarification process. This mechanism can shorten the period of factual investigation, reduce repeated submission of materials, improve the credibility of claims conclusions, and create a more stable procedural foundation for diversified dispute resolution.

### **3.5 Construction of a Tiered and Case-oriented Dispute Resolution Mechanism for Shipping Insurance Claims**

A tiered and case-oriented dispute resolution mechanism should be constructed to match the complexity and urgency of cross-border shipping insurance claims. The value, factual structure and procedural needs of different claims vary significantly. Some cases involve small cargo losses with clear documents and limited disagreement, while others concern major maritime accidents, multiple insurers, foreign carriers, port authorities and third-party liability disputes. If all disputes are handled through a single procedure, either efficiency will be sacrificed in simple cases or procedural adequacy will be insufficient in complex cases. Therefore, diversified dispute resolution should not only mean the coexistence of mediation, arbitration and litigation, but should also form a hierarchical allocation mechanism based on case characteristics.

At the initial stage, a claim triage procedure may be established. After the insurer receives the claim application and basic materials, the case may be classified according to the amount in dispute, urgency of loss mitigation, number of involved jurisdictions, complexity of causation, possibility of third-party recovery and enforcement risk. Low-value and factually clear claims may enter a simplified negotiation channel, in which the insurer and insured party complete document review, loss calculation and settlement confirmation within a shortened period. Medium-complexity cases may be directed to expert evaluation or professional mediation, especially where the main disagreement lies in loss amount, causation or interpretation of insurance clauses. High-value or highly adversarial cases may be prepared for arbitration or litigation from the early stage, while still preserving the possibility of settlement during the process.

Professional mediation should be placed at the center of this mechanism. Shipping insurance disputes are highly commercial and technical, and many parties prefer to maintain long-term business cooperation rather than create confrontational litigation. Mediators with maritime law, insurance practice and shipping trade experience can help parties identify factual consensus, narrow disputed issues, and design flexible settlement arrangements such as partial payment, conditional compensation, subrogation cooperation or staged performance. For urgent claims involving cargo disposal, vessel release or port detention, emergency mediation or interim expert assessment may be introduced to prevent the expansion of loss before final liability is determined.

Arbitration should function as the main adjudicative procedure for complex cross-border shipping insurance disputes. Compared with ordinary litigation, arbitration has stronger advantages in neutrality, confidentiality, expertise and cross-border enforceability. However, arbitration should not be isolated from other procedures. A mediation-arbitration linkage model may be adopted, allowing parties to attempt mediation before arbitration or during arbitral proceedings. If settlement is reached, the result may be converted into an enforceable settlement agreement or arbitral award according to the applicable procedural arrangement. This design can combine the flexibility of mediation with the finality of arbitration.

The mechanism should also include post-resolution performance supervision. After a settlement agreement, mediation result or arbitral award is formed, the parties may use a shared performance confirmation system to record payment, document transfer, subrogation cooperation and release of guarantees. This step is particularly important in cross-border claims because procedural delay may

continue even after the dispute has been formally resolved. By establishing a closed-loop process from case classification to settlement, adjudication and performance, the diversified dispute resolution mechanism can better respond to the practical needs of cross-border shipping insurance claims.

## Conclusion

This paper sorts out the realistic basis and development status of cross-border shipping insurance cross-border claims, analyzes the core procedural barriers under the existing legal framework from bilateral, regional and domestic dimensions, and puts forward targeted legal optimization paths and diversified dispute resolution mechanism construction schemes. The research results can provide institutional reference for the efficient disposal of cross-border shipping insurance claims along the Belt and Road, and support the stable development of cross-border shipping trade.

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