

MARINE INSURANCE – Group Three Syllabus

THE MARINE INSURANCE MARKET

Thoroughly understand the reasons for and application of marine insurance in shipping business.

Thoroughly understand the division of the market between Lloyds, insurance companies and Protection & Indemnity Associations (P&I) and their respective organisational structures

Be aware of the concept of mutuality in P&I Associations

Understand the role and function of an insurance broker.

Understand the different classes of risk covered by marine insurance namely:

Hull & Machinery

Freight & Hire

War Risk

Cargo Liability

Employee Liability

Protection & Indemnity

Third Party (including collision, damage to other property, death & personal injury, pollution liability)

Understand the role of the Institute of London Underwriters (ILU) and the Salvage Association.

THE PRINCIPLES OF MARINE INSURANCE

Thoroughly understand the role & function of the Marine Insurance Act, 1906 (England)

Be aware of the perils covered by the act.

Thoroughly understand the concept of insurable interest and utmost good faith

Be aware of the practice of re-insurance.

Understand how the rights and benefits under the contract can be assigned.

Understand how insurable value is determined.

Understand the extent of liability to the insurer both in respect of total & partial loss and how apportionment is made.

Thoroughly understand how the insurer becomes entitled to the insured property (subrogation)

Thoroughly understand the distinction between express and implied warranties and the effect of breach of warranty and when warranty may be exceeded.

Thoroughly understand the implied warranty of seaworthiness of the ship.

Understand which losses are covered by the policy & the importance of establishing the proximate cause.

Understand those perils which are excluded from the policy (in particular misconduct, delay & inherent vice).

THE PRACTICE OF MARINE INSURANCE

Understand the procedures and documentation involved in effecting marine insurance.

Understand the way premiums are assessed and applied.

Understand how insurance brokers are remunerated by commission

Thoroughly understand the difference between time & voyage policies and use of open cover.

Thoroughly understand all the Institute (ILU) Clauses as listed:

Institute Time Clauses Hulls 1.10.83

Institute Time Clauses – Hulls Total Loss Only 1.10.83

Institute War and Strikes Clauses Hulls – Time 1.10.83

Institute Warranties 1.7.76

Institute Time Clauses Freight 1.10.83

Institute Cargo Clauses (A) 1.1.82

Institute Cargo Clauses (B) 1.1.82

Institute Cargo Clauses (C) 1.1.82

Institute Malicious Damage Clause 1.8.82

Institute War Clauses (Cargo) 1.1.82

Institute Strike Clauses (Cargo) 1.1.82

Institute Classification Clause 1.7.78

‘Important’ Clause

CLAIMS

Thoroughly understand the concept of total loss both actual and constructive.

Thoroughly understand the definition of particular average clearly distinguishing it from General Average.

Understand the responsibility of the insured to make efforts to mitigate the loss (sue & labour).

Thoroughly understand the principle of salvage and how salvage services are remunerated.

Thoroughly understand the different ways in which liability may be limited in the case of Third Party claims against the insured.

Understand the role of and the need for professional indemnity insurance. (errors & omissions).

Thoroughly understand the impact of international pollution legislation on marine insurance and how pollution cover is provided.

GENERAL AVERAGE

Thoroughly understand the concept of General Average (GA).

Understand the role and function of the York-Antwerp Rules.

Understand what is admissible in a GA settlement.

Understand how GA contributions are covered under marine insurance policies.