

Marine Insurance – Syllabus

Shipowners, Operators & Managers

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:

- Hull & Machinery
- Freight & Hire
- War Risk
- Cargo Liability
- Employee Liability

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

Third Party Cover for Transport Operators

Protection & Indemnity

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

Risks and cover available to Professionals service providers [surveyors, brokers; contractual carriers / freight forwarders]

Understand the role of the International Underwriting Association (IUA) and BRAEMAR (Incorporating the Salvage Association).

The Principles of Marine Insurance

Thoroughly understand the role and function of the UK Marine Insurance Act, 1906 (as amended).

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 and 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 changes brought about by the Insurance Act 2015 to the principles of Marine Insurance.

Thoroughly understand the implied warranty of seaworthiness of the ship.

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

Understand those perils which are excluded from the policy (in particular—misconduct, delay and 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 and voyage policies and use of open cover.

Merger & Ademption of Loss [following the notice of abandonment]

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

- Institute Time Clauses Hulls
- Institute Time Clauses – Hulls Total Loss Only
- Institute War and Strikes Clauses Hulls – Time
- Institute Navigation Limits (old Institute Warranties)
- Institute Time Clauses Freight
- Institute Cargo Clauses (A)
- Institute Cargo Clauses (B)
- Institute Cargo Clauses (C)
- Institute Malicious Damage Clause
- Institute War Clauses (Cargo)
- Institute Strike Clauses (Cargo)
- Institute Classification Clause
- Institute P&I Clauses, Time 20/07/87

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 difference between 'Particular Average' and 'Particular Charges'

Understand the responsibility of the insured to make efforts to mitigate the loss (sue and 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.

Difference between Error and Omissions, and PI Cover

Claim Management: *Role of Surveyors* [collection of evidence, etc. - to be elaborated]; *Role of Average & Loss Adjusters* [Overview]

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 important role of GA within the marine adventure

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

Understand the differences between 1994 and 2016 edition of York-Antwerp Rules

Understand what is admissible in a GA settlement.

Understand how GA contributions are covered under marine insurance policies.