



## C54B MARINE UNDERWRITING

### IMPORTANT

The time allowed for this exam is 3 hours.

Total marks: 200

**You must hand in this paper** and any paper used for rough work to the supervisor when you leave the examination room. Failure to do so may result in disqualification.

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- Question 1. Explain how a marine underwriter develops a full risks rating on a hull as opposed to a total loss only rating. (20 marks)
- Question 2. Describe the coverage provided by each of the principle Institute Cargo Clauses and include in your answer a description of the type of goods which would be appropriate to insure with each clause. Please provide an example of each type of good. (20 marks)
- Question 3. Provide a brief description of FOUR (4) of the following extensions of coverage and the commodities for which they are intended. (5 marks each = 20 marks)
- (a) Including heating and/or sweating and/or spontaneous combustion howsoever arising
  - (b) Including leakage and/or shortage and/or loss in weight or volume from any cause
  - (c) Including guaranteed outturn
  - (d) Including infestation even when caused by inherent vice
  - (e) Including rejection
  - (f) Including contamination and/or discoloration however arising
  - (g) Including shortage and/or loss in weight however caused
  - (h) Including rust, oxidation and discoloration however caused

- Question 4. (a) How do P&I Clubs differ from insurance companies? (5 marks)
- (b) What general coverage do P&I Clubs provide to their members? How does this cover differ from a P&I policy written by a marine insurance company? (15 marks)
- Question 5. Construct a reinsurance program for a domestic insurer and provide your reasoning for the nature of the program constructed. (20 marks)
- Question 6. There are two main types of treaty reinsurance, proportional and non-proportional. Each provides a necessary component of an insurer's reinsurance portfolio. Name and write notes on the THREE (3) types of proportional and THREE (3) types non-proportional reinsurance. (20 marks)
- Question 7. Describe the provisions of the following, included in the ITC Hulls 1/11/95 Clauses.
- (a) Duty of Assured (Sue and Labour)  
(b) Deductible  
(c) New for Old  
(d) Disbursements Warranty  
(e) Constructive Total Loss (4 marks each = 20 marks)
- Question 8. Discuss the purpose and provisions of the following clauses:
- (a) Institute Trade Clauses (10 marks)  
(b) Institute Classification Clause (10 marks)
- Question 9. What processes may be considered in formulating a loss prevention program on a cargo consignment? (20 marks)
- Question 10. Identify and describe the FOUR (4) liabilities of time and voyage charterers. (20 marks)

