OBJECTIVES: To provide knowledge and understanding of marine insurance principles and the world market and legal context within which they apply.

DEVELOPMENT OF MARINE INSURANCE

Characteristics of the major sectors of marine insurance covering:
- hull; 2
- cargo; 2
- liability; 2
- excess of loss and other forms of reinsurance; 2
- business interruption; 2
- energy. 2

Cargoes, modes of transport and the marine transport infrastructure. 2

Growth of the main, worldwide marine insurance markets. 2

History and evolution of marine insurance in the context of the present business environment. 2

The effect on the development of marine insurance of:
- the evolution of world trade; 2
- the development of legal regimes; 2
- general average and other maritime regimes such as salvage, collision and other maritime liabilities. 2

LEGAL CONSIDERATIONS

Main principles of international maritime law in the context of:
- international conventions; 3
- contracts of carriage; 3
- other transport contracts. 2

Relationship between international maritime law and UK and other domestic maritime law. 2

Function and main principles of the major maritime voluntary codes, including:
- multimodal codes; 2
- Incoterms; 3
- York-Antwerp Rules. 2

Principles of marine insurance law, including the main provisions of the Marine Insurance Act 1906. 3

Marine aspects of reinsurance law. 2

Legal constraints on transacting international marine insurance business. 2

Authorisation for classes, including:
- audit codes; 1
- solvency; 1
- risk based capital. 1

MARINE INSURANCE MARKET

Reasons for having different marine insurance markets. 2

Characteristics, including financial aspects, of the different types of market with particular reference to:
- London international/co-insurance markets; 3
- UK domestic market; 3
- mutuals; 2
- captives. 2

Market mechanisms, including the function and services provided by:
- brokers; 3
- average adjusters; 3
- risk managers; 3
- legal services; 1
- financial services; 1
- surveyors, including the Salvage Association and classification societies. 3

Purpose and functions of the main Trade Associations and market committees and their bureaux. 2

Provisions and effect of market agreements, including:
- leading underwriter agreements; 3
- inter club agreements; 1
- war risk agreements; 3
- Lloyd’s financial guarantee agreements. 2

Use and trading implications of IT in the marine market. 2

Sources and exchange of electronic information, including market systems. 2

PURPOSE AND TYPE OF COVER

Subject matter of each of the main classes of marine business. 3

Risks to which the subject matter is exposed in respect of each of the main classes of marine business. 3

Core cover available for each of the main classes of marine business. 3

Significance to marine insurance and maritime trade of the application of:
- indemnity; 2
- replacement; 2
- agreed value. 2

Contractual obligations of the insured to others with specific reference to:
- documentary credits; 2
- mortgages. 2

ETHICAL CONSIDERATIONS

Types and treatment by insurers of incidences of maritime fraud. 1

Issues arising from the Marine Insurance (Gambling Policies) Act 1909. 1

Cover for sensitive cargoes and sensitive shipping operations. 1
Knowledge ratings
Each sub-topic has been designated a numerical ratings as follows:
1 General background awareness necessary
2 Requires a knowledge of the major elements of procedures or concepts and their uses.
3 Requires the ability to evaluate concepts, issues, policies and procedures, together with an understanding of associated aspects of these items and their application to various situations.

Study materials
The following list provides details of various publications which may assist with your studies. The primary text for this syllabus is shown in bold type. Periodicals and publications listed as additional reading will be of value in ensuring candidates keep up-to-date with developments and in providing a wider coverage of syllabus topics. The reference materials cited are authoritative, detailed works which should be used selectively as and when required.

Primary text

Additional reading
Maritime Economics. Dr Martin Stopford. Clarksons Research Studies.

Reference material

Periodicals
Insurance Day. Three issues per week. London: LLP.