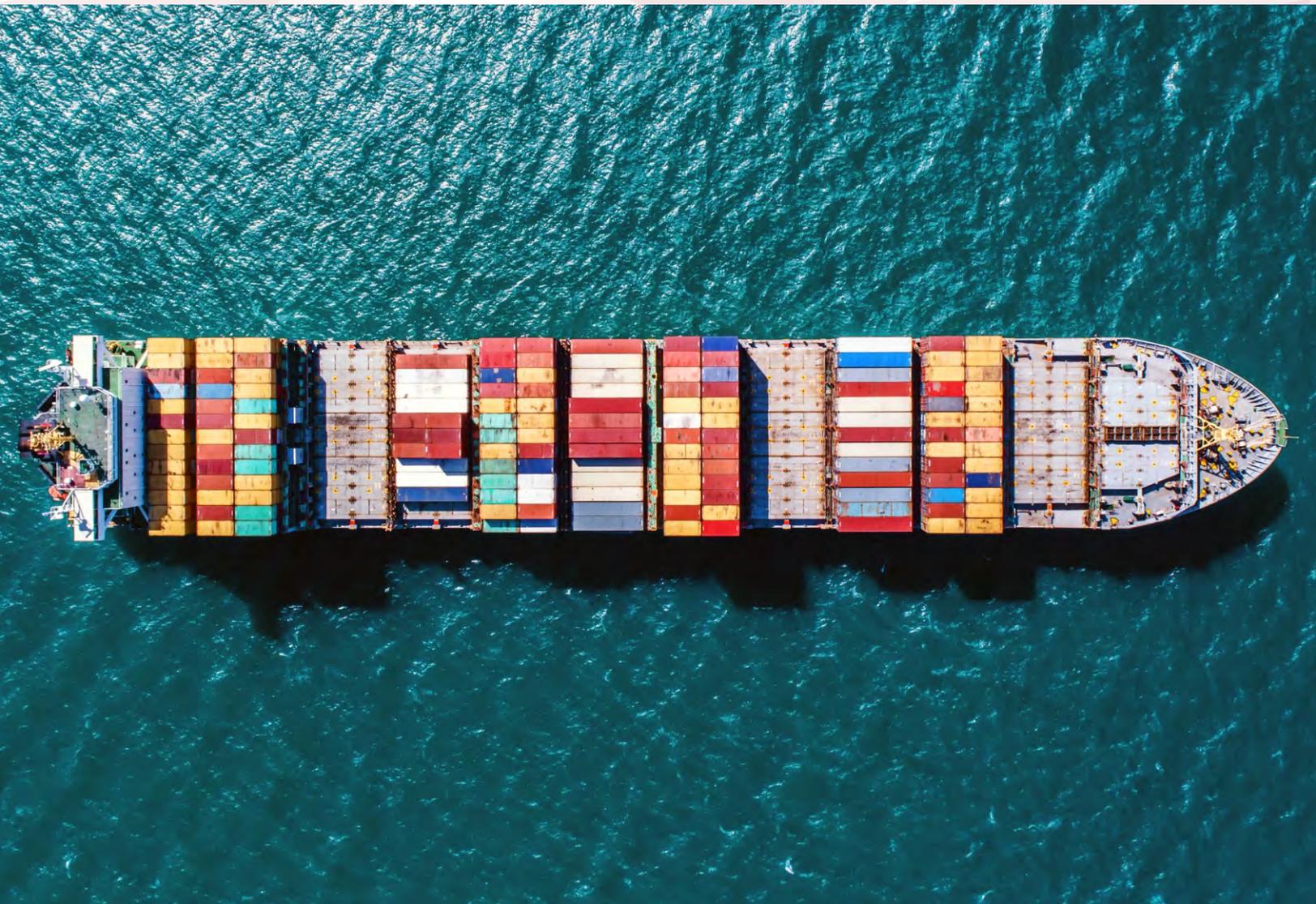




Insurance
INSTITUTE OF EAST AFRICA

FOUNDATION DIPLOMA IN MARINE INSURANCE



INSTITUTE OF
CHARTERED
SHIPBROKERS
Strategic Partner

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Introduction

The importance of the shipping industry to the global economy is rarely fully appreciated, particularly by those who often take for granted the availability of the goods that are transported by sea. Figures published by the International Chamber of shipping show that in 2008 the shipping industry transported 7,700 million tonnes of cargo.

The nature of much of that cargo is such that it can only ever be transported efficiently and cost-effectively by sea.

Notwithstanding technology advances, shipping continues to face many of the same threats such as extremes of weather and navigational hazards that were experienced by the very earliest maritime traders. It is a business beset by risk.

Those who provide the essential global service can only do so with the benefit of insurance to protect against the ever-growing range of risks and liabilities that arise from seaborne trade. Without the protection that is provided by the various types of marine insurance this trade requires, the very existence of companies involved in this enterprise can easily be threatened.

Again this background it is essential for all those involved in the shipping business to have an understanding of marine insurance and this program aims to facilitate that understanding.

To qualify for the diploma one is required to complete and pass the two units that make up the full course, namely Introduction to Shipping and Marine Insurance. The qualification is examined by the Institute of Chartered Shipbrokers (ICS), UK. ICS, the only internationally recognized professional body for people working in the shipping industry worldwide aims at advancing professional standards across the Commercial Shipping sector and related industries through professional examinations and membership. The institute sets and examines the syllabus for membership, providing the shipping industry with highly qualified professionals who have proven knowledge, competence and understanding of the broad spectrum of the shipping business.

Professional training in Marine Insurance at the Insurance Institute of East Africa in collaboration with the Institute of Chartered Shipbrokers opens the door to a world of possibilities and opportunities in the truly global business of marine insurance.



Introduction to Shipping

Course Contents

Module 1 - Maritime Commercial Geography

Continents; geographical regions, for example the Far East, Mediterranean, south-east Asia; location of major countries and ports. All the continents, the major centres of which they are comprised and the manner in which they are grouped in geographical regions.

The location of major ports, canals and waterways.

Oceans of the world and the seas of which they are comprised. The effects of tides, currents, climate and weather.

An awareness of different map projections; latitude and longitude.

Module 2 - International Trade

Understand the role of different markets that comprise the global market. Be aware of the difference between absolute and comparative advantage. Understand the role of shipping as arising from derived demand.

Module 3 - Cargoes and Trade Routes

Thoroughly understand the different roles of liners and tramps. In liners, understand the main unitised systems and break-bulk operations. Be aware of major liner routes.

Understand the major dry bulk trades and the origins and distribution of principal cargoes.

The oil and other liquid trades; understand the origin and distribution of principal cargoes, distinguishing between crude oil and products. Be aware of the categorisation of cargoes into clean, dirty, chemicals, gas, vegetable oils and juices.

Module 4 - Ship Types

Thoroughly understand the basic characteristics of bulk carriers etc and the type of trades in which they are used.

Understand the main sizes of vessel in each class. Expect to illustrate any answers with simple sketches.

Module 5 - Contracts of Carriage

Thoroughly understand the basic contracts; charter parties for tramp and tankers; bills of lading for liners.

Be aware of the role of the bill of lading under a charter party.

Understand the difference between voyage and time charter parties and the basic elements of each.

Understand the three functions of the bill of lading and its role in international trade.

Understand the main specialist abbreviations, terms and expressions used in charter parties and bills of lading.

Module 5 - Law of Carriage

Understand the duty of care and the nature of tortuous acts outside contracts.

Be aware of the way in which international conventions are established and the major conventions relative to shipping.

Understand the basic application of Hague/Hague-Visby, Hamburg and Rotterdam Rules, their requirement for seaworthiness and the limitation of carrier liability. Be aware of the differences between these rules.

Understand the legal effect of the bill of lading as a document of title and the implication of its role in the delivery of goods.

Be aware of the role of marine insurance and P&I associations.

Module 6 - Ship Registration and Classification

Thoroughly understand the concept of ship registration and its flag state.

Understand the differences between registering in the country of beneficial ownership, offshore registry and flag of convenience.

Be aware of port state control.

Understand the need for classification and the role of classification societies.

Module 7 - The Practitioners in Shipping Business

Thoroughly understand the difference between principals and intermediaries. Understand the role and function: -

- Principals shipowners, charterers, shippers and NVOCs (non-vessel operating carriers)
- Intermediaries Brokers in dry cargo chartering, tanker chartering, ship sale and purchase

Port agents and liner agents and the differences between them Ship managers and freight forwarders.

Be aware that all classes of intermediaries may be independent businesses or in-house departments of the principal.

Module 8 - Basic Accounting

Understand the fundamentals of bookkeeping and corporate accounts.

Thoroughly understand the definitions and functions of revenue, cost, profit, capital, cash- flow, interest.

Thoroughly understand the importance of maintaining positive cash flow.

Be aware of the structure of various different types of business entity and understand the concept of limited liability.

Marine Insurance

Course Contents

Module 1 - Shipowners, Operators and 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).



Module 2 - 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).

Module 3 - 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

Module 4 - 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.

Module 5 - 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.



Enroll today!

and acquire a professional qualification for an exciting career in the ever expanding Marine Insurance Sector!

Mode of Study

Distance Learning. All study materials are provided with a comprehensive study guide.

Contact Us

Insurance Institute of East Africa
Brunei House, 3rd floor | Witu Road off Lusaka Road
P. O. Box 16481-00100, Nairobi, Kenya.
Tel: +254 (20) 6530128 | 6530298
Mobile: +254 (0) 723 334 408 | 733 812 695
E-mail: info@iiea.co.ke
Website: www.iiea.co.ke