

PGDM (Insurance Business Management) 2020-22
Marine Cargo & Hull Insurance
INS -404
Trimester – IV, End-Term Examination, September, 2021

Time allowed: 2½ Hours

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the answer sheet.
Note: Please be relevant and brief in your answers. Section B is compulsory.

Section-A

There are 3 questions in this section. Each question carries 10 marks.

- Q 1. Write short notes on
(a) Express Warranties
(b) General Average
(c) Ship Builders Insurance
(CILO 1)

3 +4+ 3 = 10 Marks

OR

- Q 1. Explain the applicability of principles of Insurable Interest and Indemnity to marine insurance. Briefly explain the assignment of a marine policy (CILO 1)

7 + 3 = 10 Marks

- Q 2. Describe the salient features of an Open Policy in marine Insurance.
(CILO 2)

OR

- Q 2. What are Incoterms. What is the purpose of using Incoterms? Explain the terms FOB and CIF.
(CILO 2)

2 +2+ 6 =10 Marks

- Q 3. What are the general exclusions applicable to ICC (A), ICC(B) & ICC (C)? State the termination duration of cover under Transit clause under ICC (A) (CILO 3)

8 +2 = 10 Marks

OR

- Q 3. What are important factors to be considered by a marine underwriter while evaluating a proposal for marine cargo insurance. Give the reason for insertion of Institute Classification clause by an underwriter to a policy. (CILO 3)

7 + 3 = 10 Marks

Section B

Case Studies

(20 Marks)

- (a) 200 cases shoes (each case containing 50 pairs in boxes) insured for 20000 pounds so valued were shipped to London from Mumbai. On the voyage heavy weather was experienced and damage to cargo occurred, consequently to leakage in the hold.

Subsequently a fire broke out seriously damaging the ship and cargo. On arrival the following losses were ascertained.

- i. 120 cases damaged by fire ---- 30 % damage
- ii. 40 cases damaged by sea water ---50% damage
- iii. In 12 cases, pilferage was noticed and 50 boxes were found to be missing
- iv. 10 cases were lost overboard during discharge
- v. 218 cases arrived sound Survey fees were 50 pounds.

Each box was invoiced at the same price and therefore each case was of equal value.

Work out the claim payable if the insurance cover was:

- (1) ICC (A)
- (2) ICC (B) and
- (3) ICC (C)

5+5+5 =15 Marks

(CILO 2 and 3)

Analyse and answer the following situations with reasons

- (a) A vessel carrying oil, insured under Institute Bulk Oil clauses, suffered losses due to contamination of oil caused due to the negligence of master officers and crew of the ship. The insured has put the claim for losses. Is it payable?
- (b) Kitex traders takes cargo insurance from New York to Pune (via Mumbai Port). When the cargo reaches Mumbai port the Kitex Traders instructs the transporter to place the cargo in a bonded warehouse as they do not require goods immediately at Pune and want to defer payment of customs duty. The goods are unloaded at the bonded warehouse. After 15 days of goods landing at warehouse there is fire in the warehouse resulting in total loss of goods. Kitex traders lodges a claim with the insurer. Is the claim payable?

2.5+2.5 = 5 Marks

(CILO 2 and 3)

#####