Cargo and goods in transit insurances

Purpose
At the end of this unit, candidates should be able to demonstrate knowledge and understanding of cargo and goods in transit risks and their insurance

Assumed knowledge
It is assumed that the candidate already has knowledge of the fundamental principles of insurance as covered in IF1 Insurance, legal and regulatory or equivalent examinations.

Summary of learning outcomes

<table>
<thead>
<tr>
<th>Number of questions in the examination*</th>
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</thead>
<tbody>
<tr>
<td>1. Understand the business environment of shipping and world trade</td>
<td>9</td>
</tr>
<tr>
<td>2. Understand the legal and regulatory environment of cargo and goods in transit risks</td>
<td>7</td>
</tr>
<tr>
<td>3. Understand the scope of cover for cargo</td>
<td>12</td>
</tr>
<tr>
<td>4. Understand the scope of cover for haulage contractor’s liability.</td>
<td>5</td>
</tr>
<tr>
<td>5. Understand the underwriting of cargo and goods in transit insurance</td>
<td>10</td>
</tr>
<tr>
<td>6. Understand claims considerations and procedures for cargo and goods in transit</td>
<td>7</td>
</tr>
</tbody>
</table>

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment:
  Mixed assessment consisting of two components, both of which must be passed. One component is a coursework assignment and one is a multiple choice question (MCQ) examination. The details are:
  1. an online coursework assignment using RevisionMate consisting of 10 questions which sequentially follow the learning outcomes. This must be successfully completed within 6 months of enrolment; and
  2. an MCQ exam consisting of 50 MCQs. 1 hour is allowed for this exam. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2020 until 30 April 2021.
- Candidates will be examined on the basis of English law and practice unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
  1. Visit www.cii.co.uk/qualifications
  2. Select the appropriate qualification
  3. Select your unit from the list provided
  4. Select qualification update on the right hand side of the page
1. Understand the business environment of shipping and world trade

1.1 Describe the world import and export business including the parties involved.

1.2 Describe the principal trading countries and trade routes, including risks.

1.3 Describe different types of goods, including their main origins, destinations and methods of transportation.

1.4 Describe the main terms of trade used in buying and selling goods internationally.

2. Understand the legal and regulatory environment of cargo and goods in transit risks

2.1 Describe the legal and regulatory environment of carriage of goods by sea, road, rail and air.

2.2 Apply the relevant laws and regulations to carriage of goods scenarios within the UK and global context.

3. Understand the scope of cover for cargo

3.1 Explain the cover provided by Institute Cargo Clauses.

3.2 Explain the appropriateness of Institute Cargo Clauses in different circumstances.

3.3 Apply the cover provided by Institute Cargo Clauses to various scenarios in a global context.

3.4 Explain cover provided for war, strikes and terrorism.

3.5 Explain cover provided for consequential loss and delayed start-up.

3.6 Explain the types of charterparties.

3.7 Explain the cover provided by stockthroughput insurance and project cargo insurance.

4. Understand the scope of cover for haulage contractor’s liability

4.1 Explain the tripartite nature of haulage contractor’s liability cover.

4.2 Explain the importance of custody and control.

4.3 Explain the legal liabilities and the relationship between haulage contractors, freight forwarders, warehouse keepers and ports for the movement of goods.

5. Understand the underwriting of cargo and goods in transit insurance

5.1 Explain the risk profile of different cargoes.

5.2 Evaluate geographic and physical aspects of risk in different countries and by different trade routes.

5.3 Explain typical approaches to premium rating and valuation including premium adjustments.

5.4 Describe the methods used in loss prevention.

5.5 Explain how risk accumulates and the importance of its control.

5.6 Explain rating practices of haulage contractor’s liability, including premium adjustments.

5.7 Describe a typical approach to rating premiums and the physical aspects of risk in stockthroughput insurance.

6. Understand claims considerations and procedures for cargo and goods in transit

6.1 Describe claims notification documents and procedures.

6.2 Describe the role of surveyors, average adjusters, recovery agents, insurance brokers and lawyers.

6.3 Describe the use of cargo survey reports and other documents in support of claims.

6.4 Explain the main principles and application of bills of lading and waybills.

6.5 Adjust cargo claims for partial or total loss in given scenarios.

6.6 Calculate the following elements in claims scenarios:

- Particular charges.
- Salvage charges.
- General Average.
- Sue and labour.
- Extra charges.

6.7 Explain and calculate potential recoveries under typical carriage conditions.

6.8 Describe the correct way in which a declined claim should be communicated, taking into account the Insurance Act 2015, with emphasis on s.13 of that Act.
### Reading list

The following list provides details of further reading which may assist you with your studies.

**Note: The examination will test the syllabus alone.**

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII/PFS members can access most of the additional study materials below via the Knowledge Services webpage at [https://www.cii.co.uk/knowledge-services/](https://www.cii.co.uk/knowledge-services/).

New resources are added frequently - for information about obtaining a copy of an article or book chapter, book loans, or help finding resources, please go to [https://www.cii.co.uk/knowledge-services/](https://www.cii.co.uk/knowledge-services/) or email knowledge@cii.co.uk.

### CII study texts

- **Cargo and goods in transit insurances.** London: CII. Study text M90
- **Insurance, legal and regulatory.** London: CII. Study text IF1

### Books (and ebooks)

- **Cases & materials on marine insurance law.** Susan Hodges. Routledge-Cavendish, 1999.*

### Ebooks

The following ebooks are available through Discovery via [www.cii.co.uk/discovery](https://www.cii.co.uk/discovery) (CII/PFS members only):


### Factfiles and other online resources

CII fact files are concise, easy to digest but technically dense resources designed to

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* Also available as an ebook through Discovery via [www.cii.co.uk/discovery](https://www.cii.co.uk/discovery) (CII/PFS members only).
enrich the knowledge of members. Written by subject experts and practitioners, the fact files cover key industry topics as well as less familiar or specialist areas of general insurance, life, and pensions and financial services, with information drawn together in a way not readily available elsewhere. Available online via www.cii.co.uk/ciifactfiles (CII/PFS members only).

The Insurance Institute of London (IIL) podcast lecture series features leading industry figures and subject experts speaking on current issues and trends impacting insurance and financial services. Available online at https://www.cii.co.uk/insurance-institute-of-london/ (CII/PFS members only).

Project cargo and delayed start-up insurances. John Potter.

Subject gateway on marine insurance. Updated regularly. Available online via www.cii.co.uk/subjectgateways.

Further articles and technical bulletins are available at https://www.cii.co.uk/knowledge-services/ (CII/PFS members only).

Journals and magazines


Access to further periodical publications is available from the Knowledge website at www.cii.co.uk/journalsmagazines (CII/PFS members only).

Reference materials


Exemplars

Exemplar papers are available for all mixed assessment units. Exemplars are available for both the coursework component and the MCQ exam component.

These are available on the CII website under the unit number before purchasing the unit. They are available under the following link www.cii.co.uk/qualifications/diploma-in-insurance-qualification.

These exemplar papers are also available on the RevisionMate website (www.revisionmate.com) after you have purchased the unit.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).