

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	Number of questions in the examination*
1. Understand the business environment of shipping and world trade.	9
2. Understand the legal and regulatory environment of cargo and goods in transit risks.	7
3. Understand the scope of cover for cargo.	12
4. Understand the scope of cover for haulage contractor's liability.	5
5. Understand the underwriting of cargo and goods in transit insurance.	10
6. Understand claims considerations and procedures for cargo and goods in transit.	7

*The test specification (relevant to the M90 multiple choice question exam only) 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

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- **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 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. a multiple-choice question (MCQ) exam at one of the CII's online centres (paper based MCQs are available in April and October for those sitting outside the UK). The MCQ exam consists of 50 MCQs. 1 hour is allowed for this examination. This exam must be successfully passed within 18 months of enrolment.

- This syllabus will be examined from 1 May 2017 until 30 April 2018.

- 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/updates
2. Select the appropriate qualification
3. Select your unit on the right hand side of the page

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- **Method of assessment: Part I 14 compulsory questions (140 marks). Part II 2 questions selected from 3 (60 marks). Total of 200 marks. Three hours are allowed for this exam.**
- **The syllabus is examined on the basis of English law and practice unless otherwise stated.**
- **The general rule is that the exams are based on the English legislative position six months before the date of the exams.**
- **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 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.
- 1.2 Describe the principal trading countries and trade routes, including risks.
- 1.3 Describe different types of goods, including their main origins and destinations.
- 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 a 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.

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 Describe haulage contractors' legal liabilities for goods.
- 4.4 Explain the relationship between haulage contractors, freight forwarders, warehouses 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, 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 Describe rating practices of haulage contractor's liability, including premium adjustments.
- 5.7 Explain 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 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.

Reading list

The following list provides details of various publications 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 publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Cargo and goods in transit insurances. London: CII. Study text M90/P90

Insurance, legal and regulatory. London: CII. Study text IF1

Books (and ebooks)

Arnould's law of marine insurance and average. J Gilman, Robert M Merkin et al. 18th ed. London: Sweet & Maxwell, 2013.

Carriage of goods by sea. 2nd ed. Stephen Girvin. Oxford: Oxford University Press, 2011.

Carriage of goods by sea. 7th ed. John F Wilson. Harlow: Pearson, 2010.

Carriage of goods by sea, land and air: uni-modal and multi-modal transport in the 21st Century. Baris Soyer, Andrew W Tettenborn. London: Informa Law from Routledge, 2013.

Carriage of goods by sea under the Rotterdam Rules. Edited by D R Thomas. London: Lloyd's List Law, 2010.

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

Contracts of carriage by air. 2nd ed. Malcolm Clarke. London: Lloyd's List, 2010.

Contracts of carriage by land and air. 2nd ed. Malcolm Clarke and David Yates. London: Informa, 2008.

Insuring cargoes: a practical guide to the law and practice. K S Vishwanath. London: Witherby, 2010.

International carriage of goods by road: CMR. 6th ed. Malcolm Clarke. London: LLP, 2014.

International maritime conventions: Volume 1. The carriage of goods and passengers by sea. Francesco Berlingieri. Oxon: Informa Law, 2014.*

International trade: an essential guide to the principles and practice of export. Jonathan Reuvid and Jim Sherlock. 3rd ed. London: Kogan Page, 2011.

Offshore contracts and liabilities. Baris Soyer, Andrew Tettenborn. Oxon: Informa Law, 2015.*

Marine cargo insurance. 2nd ed. John Dunt. London: Informa, 2016.*

'Marine insurance'. Chapter – The modern law of insurance. 3rd ed. Andrew McGee. London: Informa, 2011.

Marine insurance clauses. Geoffrey Hudson and Tim Madge. 5th ed. London: LLP, 2012.*

Marine insurance fraud. Baris Soyer. Hoboken: Informa Law, 2014.*

Marine insurance: law and practice. 2nd ed. Francis Rose. Cornwall: Informa Professional, 2012.*

Marine insurance legislation. Robert Merkin, et al. 5th ed. London: Informa Professional, 2014.*

Principles and practice of marine insurance. Ehsanul Haque. Dubai: United Publications, 2012.

The modern law of marine insurance. Volume 4. Rhidian Thomas. London: Informa, 2016.

'War, terrorism and associated perils in marine insurance'. Nigel Miller and Risto Talas. Chapter – War risks and terrorism. Research Study Group 258. London: ILL, 2007.

Ebooks

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

Cases and materials on the carriage of goods by sea. 4th ed. Anthony Rogers, et al. London: Routledge, 2016.

International trade and carriage of goods. Baris Soyer, A M Tettenborn. Oxon: Informa Law from Routledge, 2017.

Marine insurance law. 2nd ed. Ozlem Gurses. Routledge, 2017.

Principles of the carriage of goods by sea. Paul Todd. London: Routledge, 2016.

The Blackwell companion to maritime economics. Wayne K Talley. Massachusetts: Wiley, 2012.

Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via www.cii.co.uk/ciifactfiles (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 www.cii.co.uk/knowledge (CII/PFS members only).

Journals and magazines

Post magazine. London: Incisive Financial Publishing. Monthly. Also available online at www.postonline.co.uk.

The Journal. London: CII. Six issues a year. Also available online via www.cii.co.uk/knowledge (CII/PFS members only).

Further periodical publications are available at www.cii.co.uk/journalmagazines (CII/PFS members only).

Reference materials

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.*

Dictionary of insurance. C Bennett. 2nd ed. London: Pearson Education, 2004.

Insurance: Conduct of Business sourcebook (ICOBS). Available via www.handbook.fca.org.uk/handbook/ICOBS.

*Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

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Exemplars

Exemplar papers are available for all mixed assessment units. Exemplars are available for both the coursework component and the multiple-choice 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.

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Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

You are strongly advised to study guides from the last two sittings. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

Older guides are available via www.cii.co.uk/pastexamguides (CII/PFS members only).

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