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UNIVERSITI KUALA LUMPUR
Malaysian Institute of Marine Engineering Technology

FINAL EXAMINATION
JAN 2016 SESSION

SUBJECT CODE : LGB 30103
SUBJECT TITLE : MARINE INSURANCE
LEVEL : BACHELOR DEGREE
TIME / DURATION : 1400 – 1700 HRS
(3 HOURS)
DATE : 18 MAY 2016

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
 2. This question paper is printed on both sides of the paper.
 3. Please write your answers on the answer booklet provided.
 4. Answer should be written in blue or black ink except for sketching, graphic and illustration.
 5. This question paper consists of TWO (2) sections; Section A and B. Answer all questions in Section A. For Section B, answer THREE (3) questions only.
 6. Answer all questions in English.
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THERE ARE 4 PAGES OF QUESTIONS, INCLUDING THIS PAGE.

SECTION A (Total: 40 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided.

Question 1

a. Define the following terms used in the International Trade:

- i. Shipper
- ii. Charterer
- iii. Letter of credit
- iv. Freight forwarder
- v. Free onboard (FOB)

(10 marks)

b. Bill of lading is widely used in international trade for cargo shipment by sea. Examine this document in the context of its importance and three main functions in the industry.

(10 marks)

Question 2

a. Most of the marine insurance policies are effected via insurance brokers. Briefly explain the functions of broker and why using broker is advantageous to the assured.

(6 marks)

b. London insurance market is one the global insurance hubs. List 4 (four) participants in the London market and describe the 'subscription' method of placing a risk in the market through broker.

(14 marks)

SECTION B (Total: 60 marks)

INSTRUCTION: Answer only THREE (3) questions.

Please use the answer booklet provided.

Question 3

a. Define the following terms:

- I. Subject matter insured
- II. Insurer
- III. Assured

(6 marks)

b. Examine any **two (2)** of the following concepts in insurance:

- I. Insurable interest
- II. Subrogation
- III. Proximate cause
- IV. Utmost good faith
- V. Warranty

(14 marks)

Question 4

H&M policy is a contractual agreement that binds the assured and insurer. The complete policy consists of two parts namely the policy form MAR 91 and the Institute Clauses for hull. In this context:

a. List four (4) general information that can be found on the schedule of the policy form MAR 91.

(4 marks)

b. Define 'general average' and explain two (2) essential features that must exist before a general average claim is allowed.

(8 marks)

c. Explain the term 'actual total loss' in marine insurance.

(8 marks)

Question 5

a. Describe the following terms:

- I. The slip
- II. Lead underwriter
- III. Particular average

(12 marks)

b. Explain any **one (1)** of the following cargo insurance:

- I. ICC A
- II. ICC B
- III. ICC C

(8 marks)

Question 6

- a. Briefly explain what is meant by 'third party liability'.

(4 marks)

- b. Discuss the concept of P& I club and how it operates.

(8 marks)

- c. Discuss the precautionary measures need to be observed when a seaman enters a confined space onboard ship at harbor.

(8 marks)

END OF QUESTION

