

ATHENS UNIVERSITY OF ECONOMICS AND BUSINESS

MSc in International Shipping, Finance and Management

MARINE INSURANCE

Lecturer: Dr Nicholas G. Berketis
Phone: 697-3079109, **Email:** nberketi@otenet.gr

EDUCATIONAL AIM

The course unit is structured in such a way so as to provide students with a comprehensive analysis of the law and the principles of marine insurance. Through the study of each separate topic students will be able to fully grasp the nature and formation of the marine insurance contract, the basic legal principles and the complex legal concepts involved in the construction of the policy, the duties as to disclosures & representations and warranties.

EDUCATIONAL OBJECTIVES

- Introduce students to the nature and role of marine insurance.
- Familiarize students with the history, basic terms and scope of marine insurance.
- Examine case studies and practical issues surrounding the basic forms of marine insurance cover.

SESSIONS: 8 x 3 hours each

COURSE ASSESSMENT: 3-hour examination (100%)

Note: A pass mark (50%) should be obtained in the examination, in order to obtain an overall pass mark.

LEARNING OUTCOMES AND THEMATIC AREAS

- **Thematic area 1**
History of marine insurance
- **Thematic area 2**
General principles of marine insurance law
- **Thematic area 3**
Contract of marine insurance as a contract of indemnity, its elements, the calculations and practice of premia, and the exposure to risk
- **Thematic area 4**
Various marine insurance policies and application of the rules of each policy
- **Thematic area 5**
Major aspects of disclosures and representations and various warranties available
- **Thematic area 6**
Practical examples and case studies in the following areas:
 - Cargo Insurance
 - Protection & Indemnity (P. & I.)

- Collision Claims
- Particular Average Claims
- Salvage Claims
- Builders Risks Insurance
- Yacht Insurance
- Reinsurance Practice
- **Thematic area 7**
Types of Losses: Actual Total Loss – Constructive Total Loss – Notice of Abandonment
- **Thematic area 8**
Liability and Marine Risks: Marine Perils that are not subject to the proviso of exercise of Due Diligence by the Assured:
 - (i) Perils of the Seas
 - (ii) Fire and Explosion
 - (iii) Piracy
- **Thematic area 9**
Case Study of General Average Claim – presentation and discussion
- **Thematic area 10**
Presentation of a recent Law Case on Piracy – presentation and discussion
- **Thematic area 11**
Mortgagees Interest Insurance (M.I.I.) and Mortgagees Additional Perils (Pollution)
- **Thematic area 12**
The procedures and documentation involved in effecting marine insurance, brokers' commission, the difference between time and voyage policies and use of open cover, the Institute of London Underwriters (ILU) Clauses.

BRIEF DESCRIPTION OF THEMATIC AREAS

➤ ***The History and Development of Marine Insurance:***

Explain briefly what Marine Insurance is and provide an overview of the History and its Development.

➤ ***The Contract of Marine Insurance:***

Definition of marine insurance and analysis of the principle of Insurable Interest.

➤ ***The principles of the contract of Marine Insurance:***

Principles of Marine Insurance other than insurable interest: (a) Double Insurance, (b) Right to contribution, (c) Return of Premium, (d) Subrogation

➤ ***Marine Insurance Contract Formation:***

Marine insurance policy and analysis of the nature of the Marine Insurance Contract, which is different in several respects from other contracts in English law, and the marine insurance contract as a contract of indemnity.

➤ ***Marine Insurance Policies:***

Types of marine insurance policies and how they can be assigned.

➤ ***The Premium:***

Define and analyse the premium as the consideration paid by the assured for the insurers promise to indemnify him/her against losses covered by the policy.

➤ ***Disclosures and Representations:***

Examine: (a) The duty of Utmost Good Faith, (b) Materiality, (c) Standard of Prudence, and (d) the consequences of breach of the Duty of Utmost Good Faith

➤ ***Warranties:***

Explain and distinguish into: (a) Express Warranties, and (b) Implied Warranties and analyse their effect on a marine insurance contract.

➤ ***Total Loss / Constructive Total Loss / Notice of Abandonment:***

➤ ***War Risks etc. Insurance:***

➤ ***Mortgagees Interest Insurance (M.I.I.) and Mortgagees Additional Perils (Pollution) (M.A.P. (P.)):***

- (a) Historical background
- (b) Definition
- (c) Purpose of M.I.I. and M.A.P. (P.) covers
- (d) Examples

READING MATERIAL:

1. Bennett, Howard N., (2006), "The Law of Marine Insurance", Oxford University Press.
2. Brown, Robert H., (1998), "Marine Insurance Principles and Basic Practice", Witherby & Co. Ltd, England.
3. Gaskell, N. J. J., Debattista, C., Swatton, R. J., (1992), "Chorley and Giles' Shipping Law", Pitman.
4. Goodacre, J. Kenneth, (1990), "Marine Insurance Claims", 3rd edition, London, Witherby & Co. Ltd.
5. Hodges, Susan, (2003), "Cases and Materials on Marine Insurance Law", Cavendish Publishing Ltd, England.
6. Hodges, Susan, (2004), "Law of Marine Insurance", Cavendish Publishing Ltd, England.
7. Noussia, Kyriaki, (2006), "The Principle of Indemnity in Marine Insurance Contracts. A Comparative Approach", Springer.

Useful periodicals / Journals for references:

Lloyd's List, Tradewinds