

# 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 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 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 exam. This exam must be successfully passed within 18 months of enrolment.
- This syllabus will be examined from 1 May 2019 until 30 April 2020.
- 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/learning/qualifications/diploma-in-insurance-qualification/](http://www.cii.co.uk/learning/qualifications/diploma-in-insurance-qualification/)
  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 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 S13 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/>.

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/> or email [knowledge@cii.co.uk](mailto: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)

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.

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 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.

### Ebooks

The following ebooks are available through Discovery via [www.cii.co.uk/discovery](http://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 fact files are concise, easy to digest but technically dense resources designed to 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](http://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](http://www.cii.co.uk/subjectgateways).

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

## Journals and magazines

Post magazine. London: Incisive Financial Publishing. Monthly. Contents searchable online at [www.postonline.co.uk](http://www.postonline.co.uk).

The Journal. London: CII. Six issues a year. Archive available online at <https://www.thepfs.org/search-results/?q=the+journal> (CII/PFS members only).

Access to further periodical publications is available from the Knowledge website at [www.cii.co.uk/journalmagazines](http://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](http://www.handbook.fca.org.uk/handbook/ICOBS).

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

## 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](http://www.cii.co.uk/qualifications/diploma-in-insurance-qualification).

These exemplar papers are also available on the RevisionMate website [www.revisionmate.com](http://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 (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](http://www.cii.co.uk/iilwrittenrevision) (CII/PFS members only).