



Malta International Training Centre

Applied Insurance Studies Diploma
Examination

MODULE 5 : Marine and Motor Insurance
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10 SEPTEMBER 2012

PLEASE READ THE FOLLOWING NOTES:

1. Three hours are allowed for this paper, which is in two parts : PART I and PART II.
 2. Answer ALL questions numbered 1-14 in PART I. You are advised to spend no more than 120 minutes on this part of the paper.
 3. In PART II you should answer two (2) questions each carrying 30 marks from the remaining questions 15-18. The whole paper carries 200 marks.
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Part I: Answer ALL questions 1-14 in this part. Each question carries 10 marks.

1. (a) List five (5) reasons why discounts might be allowed on a private motor insurance policy.
(b) Outline five (5) reasons why the premium might be loaded on a private motor insurance policy.
2. Briefly explain what covers are available under a Motor Traders Insurance policy.
3. What are the three (3) main measures found in the Motor EU Directive intended to protect the victim in obtaining compensation following an accident occurring in another EU member state?
4. Differentiate between the “Untraced Drivers Agreement” and the “Uninsured Drivers Agreement”.
5. Briefly explain what is insured / excluded under a private vehicle Personal Accident Cover.
6. Explain the implications of the Rehabilitation of Offenders’ Act (1974) to Motor Insurance Underwriters.

7. Write short notes on the following:

- Public hire **(3 marks)**
- Private hire **(3 marks)**
- Self-drive vehicles **(4 marks)**

8. Differentiate between a “Contractual” Insurer and an “RTA” Insurer.

9. Mention five (5) instances that require special consideration when renewing a motor insurance policy.

10. What information is held by the Motor Insurers’ Information Centre (MIIC)?

11. Describe the basis on which trailer cover may be given under a commercial vehicle insurance policy.

12. Briefly explain two (2) basic dispute resolution alternatives.

13. Describe briefly the following marine cargo policies:

- (a) Voyage **(5 marks)**
- (b) Time **(5 marks)**

14.State and explain the INCOTERMS used in the following contracts:

(a) Prime Foods Ltd contract with suppliers in Argentina to buy €10,000 worth of beef on terms which include marine cargo insurance together with the cost of carriage from Singapore to the port of arrival. **(5 marks)**

(b) Gross Market Ltd contract to supply board games to buyers in Dubai under which they are responsible for arranging carriage to Dubai. **(5 marks)**

Part II: Answer two (2) questions from 15-18 (30 marks each)

15. Ms. Smith is insured with International Insurance Co Ltd and holds a "Third Party Fire & Theft" Motor Insurance policy covering her 10 year old Mercedes C Class. One day, she drove from the UK to Spain for a 7-day holiday. She did not advise her insurance company of this trip. On her second day in Spain, she was involved in a collision with a German driver. Both cars suffered slight damages but Ms Smith was complaining of back pain. This was a simple front-to-rear accident and Ms. Smith was not to blame since her vehicle was hit on the rear. No one had a front-to-rear accident form to complete and they thus called the police to take details. Both Ms. Smith and the German driver were fined Euro 50 each for not having a front-to-rear accident report form.

At the end of the 7 days, Ms Smith returned to the UK and immediately went to her insurance company to report the claim.

(a) What cover if at all was operative during Ms. Smith's trip to Spain and why?

(5 Marks)

(b) How can Ms Smith claim for the damages sustained on her vehicle?

(20 marks)

(c) What is the minimum cover required by the EC Directives for such accidents (Property Damage &/or Bodily Injury)?

(5 marks)

16. Outline the rating and underwriting factors that are considered when presented with a commercial motor (non-fleet) risk. **(30 Marks)**

17. Discuss the different types of covers available for private vehicle insurance. **(30 marks)**

18. Prepare a presentation to fellow colleagues on the topic of "Marine Cargo Underwriting". **(30 marks)**
