

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF
BACHELOR OF COMMERCE**

BCOM 441: INSURANCE OF TRANSPORTATION II

STREAMS: BCOM Y4S1

TIME: 2 HOURS

DAY/DATE: TUESDAY 03/12/2019

2.30 PM – 4.30 PM

INSTRUCTIONS:

- **Answer Question One and any other Two Questions**
- **Do not write on the question paper**

QUESTION ONE

- (a) A shipment of grain is destroyed. The apparent cause of loss is directly attributed to it being shipped in a vessel that was not fit to carry cargo, neither was it manned by crew of a sufficient caliber. Give reasons why the loss could not be covered by the standard institute cargo B clauses. [5 marks]
- (b) Analyze the circumstances which premium may be returned in respect of a vessel insured on a full navigating basis under a policy subject to the Institute Time Clauses. [5 marks]
- (c) About half of the perils enumerated in a typical aviation insurance policy come under the heading Hull War & Allied Perils. Explain [5 marks]
- (d) Discuss the main factors which determine the rating of marine hull risks. [5 marks]
- (e) Discuss the most common aviation hull insurance coverages. [5 marks]
- (f) What are the five major responsibilities of the insured following an aviation loss. [5 marks]

QUESTION TWO

- (a) Discuss the six types of marine insurance. [6 marks]
- (b) Analyse the circumstances in which an insured may claim a constructive total loss and illustrate your answer with an example. [5 marks]
- (c) Briefly describe the following endorsements under aviation insurance
 - (i) War risks coverage [1 mark]
 - (ii) Spare engine and detached equipment coverage [2 marks]
 - (iii) Loss payable and Breach of warranty. [2 marks]
- (d) Briefly describe the phraseology in marine insurance contract.
 - (i) Loss or not lost [2 marks]
 - (ii) Touch and Stay [2 marks]

QUESTION THREE

- (a) Discuss three main perils in marine insurance [6 marks]
- (b) Distinguish between excess liability and umbrella policy in aviation insurance. [4 marks]
- (c) Describe the aircraft falling within the experimental airworthiness certificate. Identify two insurance market for these aircrafts. [6 marks]
- (d) Discuss the four inland marine insurance coverages. [4 marks]

QUESTION FOUR

- (a) Explain Marine Cargo rating factors. [6 marks]
 - (b) Explain various insurance coverages in aircraft liability insurance. [6 marks]
 - (c) Discuss the unique conditions found in an airport premises liability policy. [4 marks]
 - (d) Explain the implied warranties in a marine insurance contract. [4 marks]
-