

BCM 212 – AVIATION RISK AND INSURANCE

INSTRUCTION: Answer questions one and any other three questions.

QUESTION ONE

- a) Differentiate between the term Risk and Risk Management. [2 Marks]
- b) Exposure to risk in international civil aviation depends on some factors, list these factors. [8 Marks]
- c) What do you understand by the term Insurance? Give a brief sequence of the history of Aviation Insurance. [7 Marks]
- d) Explain some of the measures that have been put in place to help manage aviation related risks and exposures. [8 Marks]

QUESTION TWO

- a) The nature of air transport is such that a catastrophe could occur within seconds; explain the different classification of Risks available in Aviation. [10 Marks]
- b) Most insurance policies, including aircraft policies have basic elements, list these elements. [5 Marks]

QUESTION THREE

- a) What does the law of large numbers states and how does this law relate to insurance. [5 Marks]
- b) Hull Insurance coverage is one type of Aviation Insurance, state what it means and explain some of the policies covered by Hull Insurance. [10 Marks]

QUESTION FOUR

- a) There are aircraft lease clauses that are typical of those found in an aircraft transaction document that define and limit the liability of the owner, lesser and finance party. Discuss them. [10 Marks]
- b) To establish strict product liability there are three points that need to be proven by the plaintiff, list them. [3 Marks]

QUESTION FIVE

- a) List the various types of aviation ventures available in the aviation industry. [5 Marks]
- b) Under liability insurance, there are two types of policies available for aircrafts, discuss this policies. [15 Marks]

QUESTION SIX

Explain the following terms as used in Aviation Insurance

- a) Exculpatory Contract
- b) Hangar keepers legal liability
- c) Contractual Liability
- d) Non owned aircraft liability
- e) Host liquor liability

[3 Marks
Each]