

**W1-2-60-1-6**

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY**

# **UNIVERSITY EXAMINATIONS 2014/2015**

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SUPPLY CHAIN MANAGEMENT**

**HSM 2416 : MARINE SHIPPING INSURANCE**

**DATE: AUGUST 2014 TIME: 2 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

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**QUESTION ONE**

1. State any five reasons why it is important to insure cargo whilst in transit. [5 marks]
2. Explain the differences between “Free of particular Average “ (FPA) and “With Average (WA). [6 marks]
3. Name five (5) risks normally not covered by marine insurance [5 marks]
4. Explain how description of value of cargo to be insured is worked out. [6 marks]
5. When can total loss become “constructive total loss.” [8 marks]

**QUESTION TWO**

Explain what you understand by the following institute of underwriters principle

clauses.

1. Thirty days return clauses. [4 marks]
2. Breach of warranty [4 marks]
3. Subrogation [4 marks]
4. Running down collusion clause [4 marks]
5. Waiver/abandonment clause. [4 marks]

**QUESTION THREE**

Discuss fundamental principles of marine insurance contract. [20 marks]

**QUESTION FOUR**

Maritime liability insurance is taken care of by a mutual insurance company

known as (P&I) protection and indemnity club. List the liability it covers and how

it works. [20 marks]

**QUESTION FIVE**

Under which circumstance would “open Covers” policy be applied in marine

insurance? [20 marks]