

MBE II Year	MBE-E307/407		Semester-III		
	Fire & Marine Insurance				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
<b>3 Hrs.</b>	<b>30</b>	<b>70</b>	<b>100</b>	<b>03</b>	<b>40</b>

**OBJECTIVE:** To provide an understanding of the principles and regulations of general insurance and their relevance.

- **Fire Insurance Underwriting & Reinsurance:** Underwriting Objectives and Factors – Spread of Business – Selection of Business – Fixing Retentions – Reinsurance Forms & Methods – Fire Reinsurance Programme of Indian Insurers. Tariff Rules & Regulations: Role of erstwhile TAC – All India Fire Tariff – The Standard Fire & Special Perils Policy - Proposal Form – Valued Policies – Long Term Policies- Mid-term Cover – Payment of Premium – Partial Insurance – Short Period Rates – Rules for Cancellation – Mid-term Revision in Sum Insured – Rating of Multiple Occupancy Risks – Silent Risk, Special Policies & Clauses: Floater Policies – Declaration Policies – Floater Declaration Policies – Reinstatement Value Policies & Extension Clauses such as Local Authorities / Escalation / Removal of Debris / Architects Surveyors & consulting Engineer’s Fees / Loss of Rent / Additional Expenses for Alternate Accommodation / Contract Price / Designation of Property / Temporary Removal of Stocks / Agreed Bank Clause / Omission to Insure. **(8Hours)**
- **Fire Insurance Claims:** Basic Principles: Principles of Fire Insurance – Utmost Good Faith, Insurable Interest, Indemnity, Subrogation and Contribution. Conditions and Warranties: Various Fire Warranties – Situations leading to Non-Standard Claims settlements and Ex-gratia settlement and their features : Claims-Procedural Aspects: Preparation of Claim Notes –Office procedures relating to claims – Claim Forms – Appointment of Surveyors. Rights and Duties of Parties: Rights – Duties – Duty of the Insured – Onus of proof – Duty of the Insurers after a fire claim – Claims Under Special Policies – Reinstatement Value Policies Local Authority Clause – Declaration Policy – Floating Policy – Impact of ‘Omission to Insure Additions, etc.’ The amount of Claim Payable: Clause – types of Losses – Meaning of Indemnity – Extent of indemnity & associated limitations – Meaning of Value and Depreciation – Reinstatement Value, Market Value, Depreciated Value and Book Value in Fire Insurance. **Case studies1: Case Studies1:** Andrea Larson, "Walden Paddlers", Darden Business Publishing Cases **(7Hours)**
- **Basic Concepts of Marine Insurance:** Evolution and need for Marine Insurance – Various Acts to regulate the Marine Insurance Market – Organisation of Llyods – International Maritime Bureau – Tariff Advisory Council – General Insurance council – General Insurance Corporation of India – Marine Insurance Act. Arranging for Insurance (Cargo): Proposal Form – factors for acceptance –Type of Vessel – The Voyage or Transit – Type of Cargo – Packing forms – Containerization – Conditions of Insurance – Inco Terms – Declaration Forms – Marine Cover Note – Policy Form – endorsements – Container Transport **(7Hours)**
- **Cargo Insurance Coverage’s:** Rules of Interpretation –Stamp Duty for Cargo Policies – Risks covered by Institute Cargo Clauses (A)/(B)/(C), Types of Covers: Specific Policy – Open covers – Declaration of Consignments – Open Policies – Annual Policy – Duty and Increased Value Insurance – Insurance on FOB terms – Shut out Cargo – Exports incentives Insurance – Sellers Interest Contingency –Special Storage risks Insurance –Package Policy under Duty Exemption Scheme –Scope of Cover – Multi Transit policy – Stock Throughput Insurance policy – Sales turnover Insurance – Marine (Advance) Loss of profits Insurance – Buyer’s Contingency Insurance – Important Conditions – Difference in conditions cover – Freight Contingency Insurance- Strikes expensive /war expenses : Hull Insurance -: Classification of Vessels – Indian register of Shipping – Types of vessels –Types of Policies – Institute Time Clauses –Hull – Perils covered – Pollution Hazard – Duty of the Assured (Sue & Labour ) – Collision Liability – Sistership – Deductible – Notice of claims – Disbursements Warranty - Termination – Perils – Pollution Hazard –Class ISM – Optional covers –Institute Voyage Clause – Insurance of Freight – Time and Voyage freight clauses –Valued and unvalued Policies – Loss of freight – Loss of Time clause – Claim documents – Port risk insurance – Institute Fishing Vessels Clause – Protection & indemnity Associations. **(9Hours)**
- **Marine Claims:** Actual Total Loss – Constructive Total loss – Particular Average – Damage Cargo – Salvage Loss – General Average Loss – Sue and labour charge – Particular Charges – Salvage charges –Forwarding Charges – Extra Charges – Cargo Claims – Procedures – Intimation of Claim – Insurance Surveys – Claims Payable Abroad – Recoveries from third parties – Hull Insurance Claims –Total Loss – Partial loss – Particular Average – General Average – Salvage charges – Sue and labour Charges – Collision Liability –Claims of Ocean

going vessels –fishing vessels –sailing vessels – inland vessels – General Average –Application of insurance to G.A Contribution and G.A Sacrifice- Adjustment of General Average – Salvage liability, Marine Recoveries: Marine recoveries from third parties.**Case studies2:** Thorsby-Wando Marine Refit, Inc.: refurbishing a supplier selection tool **(9Hours)**

**SUGGESTED READING:**

1. I.C. 22.(2012) I.C.56(2011). Insurance Books Insurance Institute of India, Mumbai
2. I.C59.(2011).Fire Insurance rating &Underwriting.Insurance Institute of India, Mumbai
3. I.C67.(2013).Marine Insurance.Insurance. Institute of India, Mumbai
4. Primer A. & Harold Turner The Principles of marine Insurance
5. Smith & Francis. Fire insurance: theory and practice
6. **Case Study1:** Andrea Larson, "Walden Paddlers", Darden Business Publishing Cases, (2017) , <https://doi.org/10.1108/case.darden.2016.000344>
7. **Case Study 2:** John E. Timmerman, Serhiy Y. Ponomarov, R. Franklin Morris, Jr, "Thorsby-Wando Marine Refit, Inc.: refurbishing a supplier selection tool", The CASE Journal, (2018) , <https://doi.org/10.1108/TCJ-05-2017-0037>

**NOTE:** The list of cases, specific references and books including recent articles will be announced in the class by concerned teachers from time to time.