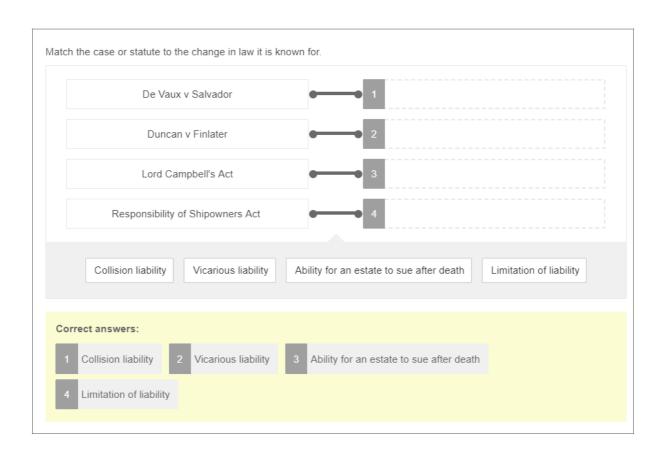


## Module 2

## P&I Insurance: History, Operation and Practice

## Module 2 Sample questions - answers





□ Thailand	
□ China	
□ Vietnam	
Singapore	
■ Japan	
□ Korea	
Which case discusses the pay to be paid rule?	
Captain Panagos DP	
<ul> <li>Westerhope</li> </ul>	
Alexion Hope	
Fanti & Padre Island	
Choose which statements are true and which are false	
True False	
Clubs are obliged to provide security	
Clubs are obliged to provide security  Clubs will provide security in some cases for non covered losses	
Clubs will provide security in some cases for non covered losses   ○ ✓	
Clubs will provide security in some cases for non covered losses   ○ ✓	
Clubs will provide security in some cases for non covered losses  Security is normally given for covered losses to prevent arrest of the ship	
Clubs will provide security in some cases for non covered losses  Security is normally given for covered losses to prevent arrest of the ship	
Clubs will provide security in some cases for non covered losses  Security is normally given for covered losses to prevent arrest of the ship	
Clubs will provide security in some cases for non covered losses  Security is normally given for covered losses to prevent arrest of the ship  Club letters of security are accepted everywhere	
Clubs will provide security in some cases for non covered losses  Security is normally given for covered losses to prevent arrest of the ship  Club letters of security are accepted everywhere  Which other insurance policy taken out by the shipowner must be triggered for a Loss of Hire policy to respond?	
Clubs will provide security in some cases for non covered losses  Security is normally given for covered losses to prevent arrest of the ship  Club letters of security are accepted everywhere  Which other insurance policy taken out by the shipowner must be triggered for a Loss of Hire policy to respond?  Builders' Risks	
Clubs will provide security in some cases for non covered losses  Security is normally given for covered losses to prevent arrest of the ship  Club letters of security are accepted everywhere  Which other insurance policy taken out by the shipowner must be triggered for a Loss of Hire policy to respond?  Builders' Risks  P & I	



Choose which statements are true and which are false. False True F D & D will cover various different types of commercial disputes that the shipowner might be involved in F D & D is almost always a mutual product F D & D insurers are not obliged to support the Member in their dispute F D & D is never used for disputes with other insurers Match the term with its meaning. Technical account Non technical account Surplus Calls less claims Investment income less tax A position of having more income than expenditure calls less claims less expenses reinsurance recoveries exceeding reinsurance premium Calls less claims plus expenses Correct answers: Calls less claims Investment income less tax A position of having more income than expenditure Rating agencies consider a number of factors. Choose all that might apply. Claims backlog Risk management Location of offices Quality of investments



On what basis does the International Group generally set the level above which commercial reinsurance is obtained?			
○ Th	ne level above which the regulators advise that commercial reinsurance must be purchased		
O Th	ne level which represents the largest claim ever received		
○ Th	ne level above which claims should be few in number but might be uncertain as to their final value	~	•
O Th	ne level which represents the lowest level that reinsurers are prepared to offer cover		
Appro	oximately how much cover is practically available to an owner should they have a significant loss (in USD bn)?		
	8	~	
	2		
	5		
	3		