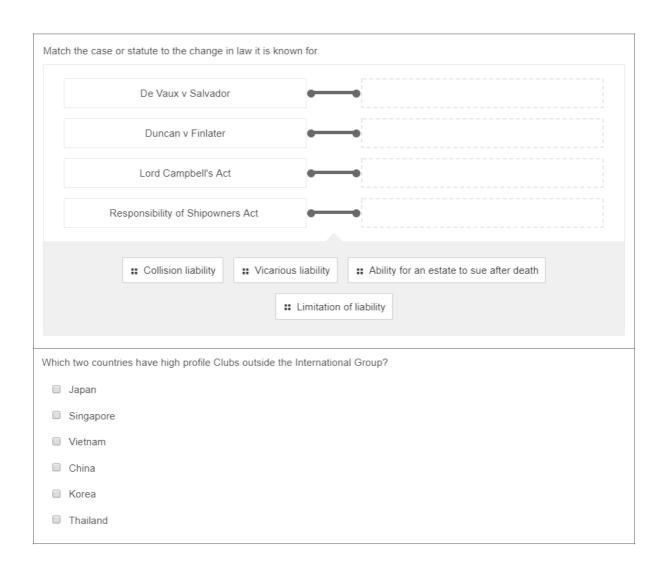


Module 2

P&I Insurance: History, Operation and Practice

Module 2 Sample questions





Which case discusses the pay to be paid rule?				
Captain Panagos DP				
Westerhope				
Fanti & Padre Island				
Alexion Hope				
Choose which statements are true and which are false				
	True	False		
Clubs are obliged to provide security	0			
Clubs will provide security in some cases for non covered losses	0			
Security is normally given for covered losses to prevent arrest of the ship	0			
Club letters of security are accepted everywhere	0	0		
Which other insurance policy taken out by the shipowner must be triggered	for a Loss of	Hire policy to	respond?	
⊚ FD&D				
Builders' Risks				
○ H & M				
Choose which statements are true and which are false.				
			True	False
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			0	
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				0



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			
Rating agencies consider a number of factors. Choose the two that might apply.			
 Quality of investments 			
☐ Claims backlog			
☐ Location of offices			
☐ Risk management			
On what basis does the International Group generally set the level above which commercial reinsurance is obtained?			
The level above which claims should be few in number but might be uncertain as to their final value			
The level which represents the lowest level that reinsurers are prepared to offer cover			
The level above which the regulators advise that commercial reinsurance must be purchased			
The level which represents the largest claim ever received			
Approximately how much cover is practically available to an owner should they have a significant loss (in USD bn)?			
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