



The Association of Average Adjusters of The United States and Canada

Marine Hull Claims Professional Examination – Syllabus

Principle Areas of Study

Common Policy Forms For All Candidates:

American Institute Hull Clauses - 6/2/1977
American Institute Hull War Risks & Strikes Clauses
American Institute Hull War Risks & Strikes Addendum
American Institute Increased Value & Excess Liabilities
Nordic Marine Insurance Plan of 2013 (Specifically as differs from AIHC 6/2/77 form)

Common Policy Forms For U.S. Candidates:

American Institute Tug Form (53R-1) (As differs from AIHC 6/2/77 form)
American Institute Great Lakes Hull Clauses (As differs from AIHC 6/2/77 form)
Protection & Indemnity SP-23 (Emphasis on what is NOT covered)
Protection & Indemnity SP-38 (As differs from SP-23 form)

Common Policy Forms For Canadian Candidates:

CBMU Great Lakes Hull Clauses
Canadian Hulls (Pacific) Clauses

Special Clauses:

American Hull Insurance Syndicate Liner Negligence Clause
General Average Absorption Clauses
Liner Repair Clauses
Aggregate Deductibles (Annual or Other)

Statutes, Rules of Practice, All Candidates:

Rules of Practice of the Association of Average Adjusters of the United States and Canada
York-Antwerp Rules 1994 and 2016
Marine Insurance Act 1906

Statutes, Rules of Practice, Canadian Candidates:

Marine Insurance Act SC 1993
Marine Liability Act SC 2001

Other Contracts:

Average Agreement / Bond
General Average Guarantee
Lloyd's Open Form 2024

Legal Cases U.S. Candidates:

- *Potter v. Ocean*

Established the legal basis for ballast GA under US law.

- *Ralli v. Troop*

There are numerous cases defining the degree of peril necessary to create a general average situation. This case cites “imminent peril over the whole”. See also *Star of Hope* below.

- *United States v. Atlantic Mutual Insurance Co. (1936)*

Established that a claim for general average contribution accrues and is enforceable when a ship arrives at destination and discharges her cargo, not at the time of adjustment.

- *United States v. Reliable Transfer Co. Inc.*

Brought US law into line with that of other maritime nations by imposing the doctrine of comparative fault in collision cases.

- *The “George W. Roby”*

Supports the theory that innocent claimants have priority in limitation funds arising out of collision.

- *The “J.P. Donaldson”*

Decision states that “any right of contribution in general average cannot extend beyond the barge and her cargo” in Tug and Tow cases.

- *The “Jason”*

Upheld the validity of the general average negligence clause in charter parties.

- *The “Pennsylvania”*

Places the burden of proof in limitation proceedings on the petitioner.

- *The “Star of Hope”*

There are numerous cases defining the degree of peril necessary to create a General Average situation. This case cites “danger imminent and apparently inevitable”. See also *Ralli v. Troop* above.

- *The “Union Reliance”*

The cost of wreck removal is a charge against the wreck and its cargo can be sold to defray the costs.

- *The “West Imboden”*

A sacrifice made in the mistaken belief that a peril existed does not constitute a general average act.

- *East River Steamship Corp. v. Transamerica Delaval*

Bars tort actions in products liability cases where the loss is purely economic. Plaintiff must show that the defective product caused injury or damage to persons or other property, i.e., the product is entitled to injure itself only.

- *The Armar*

Provides formula for calculating unrepaired damage claim. The court took the damaged value of the vessel as compared to the sound value and found a depreciation percentage which was applied to the insured value. The cost of repairs fell within the limitation imposed by the formula and thus was recoverable in full.

Legal Cases Canadian Candidates:

- *Zavarovalna Skupnost Triglav (Insurance Community Triglav Ltd.) v. Terrasses Jewelers Inc. [1983]*

This decision confirmed that marine insurance is a part of the maritime law over which the Federal court has jurisdiction under heading of “navigation and shipping” in the Constitution Act.

- *Transport Desgagnés Inc. v. Wartsila Canada Inc.*, 2015 QCCS 5514, 2017 QCCA 1471 (2017-10-04)

Further definition of Canadian Maritime Law; whether provincial legislation is constitutionally applicable to the sale of parts for a marine engine.

- *Bamcell II - Century Insurance v. Case Existological Laboratories Ltd.*, [1983]

Regarding Perils of the seas and concurrent causes of loss limiting the risk; distinction between a policyterm which is a suspensive condition and not a true warranty.

- “*La Pointe*” - *C.C.R. Fishing v. British Reserve Insurance Co.*[1990]

Regarding perils of the seas and proximate cause and remote cause

- *Peracomo Inc. v. Telus Communications Co.* [2014]

Limitation of liability and conduct which constitutes an exclusion of coverage. Differing standards of faultbetween Marine Liability under the Convention and the exclusion of insurance coverage for willful misconduct.

- “*The Point Levy*” - *Ultramar Canada Inc. v. Mutual Marine Office Inc.* 1995

Apportionment of General Average contributions and in particular the responsibility for ‘excess generalaverage’ expenses incurred to salvage the cargo and vessel and the cargo.

- “*The City of Colombo*” - *Ellerman Lines v. Gibbs Nathaniel Ltd.* [1986]

Non-separation agreement, cargoes right to demand delivery of cargo at a port of refuge, pre 1984 YARincorporating Non-Separation Clause in Rule G

- “*The Popi M*” - *Rhesa Shipping Co., S.A. v. Edmunds* [1985]

The Shipowners bear the burden of proof to establish that the proximate cause of the ship’s loss was due toan insured peril.

- “*The Miss Jay Jay*” - *J.J. Lloyd Instruments Ltd. v. Northern Star Insurance Co. Ltd.* [1987]

Two proximate causes of loss, one included in coverage, and the other not expressly excluded, coverage forthe loss under standard hull policy exists.

Sample Examination:

The sample questions that comprise the example examination, together with other supporting documents and information, will be made available to any candidate demonstrating a serious interest in sitting the exam.

Recommended Reading:

Marine Insurance and General Average in the United States 3rd Edition, ISBN 9781507305690 (available for purchase at multiple eBook outlets)

The Marine Insurance Act 1906