

London, the largest and most reliable insurance market in the world, is normal practice.

Insurance companies which are not members of Lloyd's also insure marine risks. It is not necessary to employ brokers when dealing with these.

Exercise 1

Match the following words and phrases with their definitions below.

assurance, claim, certificate of insurance, cover, Floating Policy, freight, indemnity, Particular Average, policy, premium, proposal form, reimburse, syndicate, void

- a) a sum of money demanded under an insurance agreement for loss or damage
- b) pay back somebody's expenses
- c) a document issued in place of a policy
- d) equivalent to the term insurance, and often used instead of it in life and marine cover
- e) not valid, without force
- f) regular payment made to an insurer by the insured
- g) as a noun means protection against financial loss by means of insurance; as a verb means to take out such protection under a policy of insurance
- h) the written contract between the insurers and the insured
- i) a group of Lloyd's underwriters who jointly undertake insurance risks
- j) (i) cargo (ii) the charge made by a shipping company for carrying a cargo
- k) a marine policy covering all the shipments made by an exporter up to a maximum figure
- l) the form on which you apply for insurance cover
- m) security against financial loss
- n) partial loss of cargo due to marine perils

Exercise 2

Correct the following sentences.

- a) Lloyd's is a coffee-house in the City of London.

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- b) A member of the public wishing to insure at Lloyd's has to contact an underwriter first.
- c) The broker's task is to represent a syndicate.
- d) A syndicate consists of only a few underwriters.
- e) The *slip* is a contract between the broker and his client.
- f) A slip is prepared and signed in Lloyd's Policy Signing Office.
- g) Ships insured at Lloyd's must be built according to the recommendations of Lloyd's Register of Shipping.
- h) A Lloyd's policy is usually valid until a newcomer joins a syndicate.

Exercise 3

When the goods arrive at their destination, the consignees or their agents must inspect them. If the goods are damaged in any way, the consignees or their agents will arrange for them to be examined by an **insurance surveyor**, who will assess the extent of the damage. Look at the surveyor's report.

SURVEYOR'S REPORT

The following items have been examined and found to be damaged on arrival in Alexandria.

Consignment markings: EH ALEXANDRIA
 Cases numbered: 3 and 4
 Damage: 20 radios irretrievably damaged at 100%
 15 radios scratched and chipped to be sold
 at best possible price.

On arrival at Alexandria on 5 July 1997, the above consignment was reported damaged by the consignee, who then informed us. The B/L being clean, we questioned the ship's agent, and discovered that no accident had been reported. We conclude that the damage occurred during either loading, trans-shipment or discharge.

Signed: Ian Richards
 Insurance surveyor

Put the sentences in the right order so as to make up a letter from the consignees to the consignors.

- a) Twenty of them had been irretrievably damaged.
- b) These are required as a matter of urgency as we have to complete deliveries to our customers.

- c) The agent has already made arrangements to sell the latter at the best possible price on your behalf.
- d) As a result the agents asked a local insurance surveyor to open the cases and examine the contents.
- e) As you hold the policy, we should be obliged if you would despatch replacements for the damaged goods.
- f) When the mv "Blue Rose" arrived at Alexandria on 5 July 1997, the ship's agent informed us that cases 3 and 4 of your consignment to us were damaged.
- g) Please charge them to our account.
- h) We enclose copies of the surveyor's report and the shipping agent's statement.
- i) Each case was invoiced as containing 20 radios.
- j) In addition, a further 15 of them had been scratched and chipped.
- k) We hope no difficulty will arise in connection with the insurance claim and we thank you in advance for your trouble on our behalf.
- l) Meanwhile we would be grateful if you would despatch replacements for the damaged goods.

Exercise 4

Complete the following sentences by inserting the appropriate words from the list below.

perils, seawater, claims, voluntarily, loss, sacrificed, justified, reinsuring, cover, certificate of insurance

- a) should be made on a standard form.
- b) Some losses are incurred.
- c) can damage some cargo.
- d) Average simply means
- e) Underwriters are careful to limit their liability by
- f) For each shipment under a Floating Policy a is given.
- g) Sinking and collision are major
- h) Floating Policies all the shipments made by an exporter during a year.
- i) If your claim is the insurance company will indemnify you.
- j) One shipper's cargo must sometimes be to save the others.

Exercise 5

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