**MAKERERE UNIVERSITY BUSINESS SCHOOL**

**BACHELOR OF TRANSPORT AND LOGISTICS MANAGEMENT**

**COURSE OUTLINE**

Course Name : INSURANCE IN TRANSPORT AND LOGISTICS

Course code : BTM2204

Course level. : 2

Credit units : 4

Contact hours : 60

Semester : Two

Facilitators

Assoc Prof Sheila Namagembe

Ms. Rashida Nampijja

Ms. Beatrice Nyakaishiki

**Course description**

Insurance is one of the vital aspects of transport management. In many countries, insurance of vehicles and insurance management is a legal requirement that has to be adhered to by all players in the transport sector. It is therefore important for transport professionals to understand the basics of insurance in the transport sector. This course covers insurance and its management in the transport sector.

**Course objectives**

The objectives of this course is to:

1. To equip learners with skills required for proper and efficient underwriting of motor insurance.
2. To expose learners to the market structure that defines motor insurance operations.
3. To expose learners to the regulatory framework that governs motor insurance.

To introduce learners to the operations of COMESA Yellow card scheme

1. To expose learners to the uniqueness (complexity) of marine and aviation insurance.
2. To expose learners to the various contracts that guide the marine and aviation insurance industry.
3. To train learners in the skills that are necessary for handling marine and aviation insurance

**Learning outcomes/competencies**

At the end of the course, students should be able to:

1. Identify the adequate insurance elements and principles.
2. Describe the most important risk management techniques.
3. Identify the most important international law procedures of insurance.
4. Describe the norms of insurance issues in logistics and transport.

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| **Course content**  |
| **Description** | **Lesson details** | **Hours** |
| Introduction to insurance | * Meaning of insurance
* Terms used in insurance
* Importance of insurance
* Risk transfer
* Function of insurance
* Stakeholders in the insurance industry
* Principles of Insurance
* Types of Insurance
* Key Factors to Consider When Selecting a Policy
* Insurance contracts
* Steps to follow when filing a claim.
* Circumstances Where Your Claim May Not be Paid.
 | Assoc Prof. Namagembe Sheila |
| **MOTOR VEHICLE INSURANCE**  |  |
| Motor Risk and Legal Consideration | * The origin of motor insurance
* Motor risks
* The insurance (Motor Vehicle Third Party) Act 1988/ Trafﬁc and Road Safety Act 1998/COMESA protocol.
 | Ms. Rashida Nampijja |
| Motor Policies- The Scope of Cover | * Introduction
* Third-party cover (Minimum legal requirement)
* Third Party Body, Injury/Death, and Property damage. Fire and theft cover
* Comprehensive cover
* Third-party body injuries and property damage
* Fire, theft and accidental damage to your vehicle
 | Ms. Rashida Nampijja |
| COMESA | * Overview/introduction, Procedure.
* Participating countries, Premiums, Claims Process.
* National bureau, Reinsurance pool, other services
 | Ms. Rashida Nampijja |
| The Underwriting Process. | * Proposal form
* Valuation Report.
* Material facts, Physical and moral hazards.
* Underwriting process
* The underwriting Factors.
* Rating, Premiums, Terms and Conditions.
* Policy document, Reinsurance, Short period rates
* Policy endorsements, Renewal procedures
 | Ms. Rashida Nampijja |
| Motor Insurance Classification. | A. MOTOR PRIVATE INSURANCE.* Question in the proposal form
* Section of the private car policy
* Rating factors
* No claim Discount.

(B) MOTOR CYCLE INSURANCE.* Rating factors
* Sections of the motor cycle policy

(C)COMMERCIAL VEHICLE INSURANCE.* Class 1. Vehicles for own use and carrying own goods.
* Class 2. Vehicles for public use, goods for hire or reward.
* Class 3. Vehicles for private hire, self-driven or by employed drivers.
* Class 4. Vehicles for PSV e.g. taxis or busses.
* Class 5. Buses which fall under private buses or public buses.
 | Ms. Rashida Nampijja |
| Motor Insurance Claims. | * Claims handling conditions and Procedures.
* Claims Processing.
* Other Claims Settlement Procedures.
* Methods of Claim Settlement.
* Disputes Resolutions e.g negotiation, mediation, expert determination.
* Market Agreements.
* Post-Accident inspection report
* Leakages.
 | Ms. Rashida Nampijja |
| MARINE INSURANCE  |
| Introduction to marine insurance | * Understanding the principles of marine insurance.
	+ Insurable interest
	+ Insurance value
* - Disclosure and representations
 | Ms. Beatrice Nyakaishiki |
| The marine policy and related issue  | * Understanding the policy.
* Double insurance.
* Warranties.
* The voyage.
* Loss and payment
* Loss and abandonment.
* Partial loss.
* Measure of indemnity
* Marine underwriting
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| Cargo insurance Definition  | * Cargo risks
* Cargo rating
* Hull insurance Fundamental of contract law
 |
| Types of contracts | * General requirements of contracts
* Contract analysis
* Marine insurance pricing
* Principles of risk assessment and rating of marine risks.
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| Navigation / Operating locations | * Duration of risks
* Warehouse to warehouse
* Marine extension clauses
* Delay clauses
* Review "hot spots" in the world
* Difficult ports
 |
| Exposures & rating plans | * Shipping methods
* Packaging and importance of loss prevention / risk control
* Review sample rating exercise and how to build a rate against sales
* Discuss importance of valuation / properly valuing the risk
* The broker / agent relationship
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| Cargo loss prevention and understanding the total transit                             | * Cargo loss prevention formula (**Product susceptibility**,  **Transit environments**, **understanding total transit time**(Carriers, Shipping terms, Weather conditions, Importation requirements, Total transit time, Contract provisions), **Cargo shipping** hazards & causes of loss( Hazards include Rough weather, Container damage due to mishandling, Fires, Ship collisions, Sinking of vessels, Civil or foreign war, terrorism, acts of sabotage, hostilities, strikes, riots and popular movements, etc).
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| AVIATION INSURANCE  |
| Aviation risk classes | * Definition of Aviation risks
* Forms/types of aviation risks
* Principles of Aviation Insurance
* Causes of aviation risks
* Aviation risk rating and forms of aviation insurance
* International conventions in aviation.
 | Assoc Prof. Namagembe Sheila |

**Reference Materials:**

1. Ivamy, E., R., H. (2001). *Fire and motor insurance* (5th ed.). Butterworths Trolley
2. [Merkin](http://www.amazon.co.uk/s/ref%3Dntt_athr_dp_sr_1/275-9578379-2739706?_encoding=UTF8&field-author=Robert%20M.%20Merkin&search-alias=books-uk&sort=relevancerank), R., M., & Stuart, J. (2004). *The law of motor insurance.*  Sweet & Maxwell.
3. Motor Vehicle Insurance (Third Party Risks) Act 1989
4. [Alexander, T. & Wells](http://www.amazon.com/s/ref%3Dntt_athr_dp_sr_1?_encoding=UTF8&field-author=Alexander%20T.%20and%20Bruce%20D.%20Chadbourne%20Wells&search-alias=books&sort=relevancerank), B., D., C. (2007). *Introduction to aviation insurance and risk management**marine and aviation insurance.* Chartered Insurance Institute
5. [Holt](http://www.amazon.com/s/ref%3Dntt_athr_dp_sr_1?ie=UTF8&field-author=Mark+J.+Holt&search-alias=books&text=Mark+J.+Holt&sort=relevancerank), M., J., & [Poynor](http://www.amazon.com/s/ref%3Dntt_athr_dp_sr_2?ie=UTF8&field-author=Phillip+J.+Poynor&search-alias=books&text=Phillip+J.+Poynor&sort=relevancerank), P., J. (2012). *Air Carrier Operations* (2nd ed.). Aviation Supplies & Academics Inc.
6. [Jervis](http://www.flipkart.com/author/barrie-jervis), B. (2005). [*Reeds marine insurance.*](http://www.flipkart.com/reeds-marine-insurance/p/itmczznhwpzfc4b6?pid=9780713673968&ref=d20735cb-2768-4228-86d1-4e781b208966) Adlard Coles Nautical Press.
7. Kinnis, H. (2004). *Aviation maintenance management* (1st ed.). McGraw-Hill Professiona