



ASSOCIATESHIP EXAMINATIONS GUIDANCE NOTES FOR CANDIDATES AND EMPLOYERS

Average adjusters are experts in the law and practice of marine insurance and general average. They provide professional independent advice on claims arising from marine casualties. The Association (<http://www.average-adjusters.com>) was founded with one of its prime objectives being the promotion of the correct principles in the adjustment of marine insurance claims. One can only qualify as a Fellow of the Association by passing a set of rigorous examinations.

ASSOCIATE QUALIFICATION

In 2007 the structure of these examinations was amended to provide for and encourage wider qualification from the marine insurance market as a whole by introducing an entry-level examination for the new membership category of **Associate**. Candidates for Associateship are required to pass **two A-level modules** as follows:

Module A1 - Marine Insurance Act 1906 and related principles

...plus **either**:

Module A2 - Hull and Cargo claims **or**

Module A3 - Upstream and Offshore Energy claims

The examinations may be taken in any order. Each paper is of 2.5 hours. There is no choice of questions so candidates have to be ready to answer questions on any subjects within the syllabus. In order to achieve Associate status* the pass mark is 60%, with a distinction being awarded for 80%.

Within **Module A1** candidates are expected to demonstrate a knowledge and understanding of the main sections of the Marine Insurance Act which are central to the required knowledge

base for those working in the marine insurance industry. These sections cover such key issues as insurable interest, disclosure and representations, warranties, total loss, proximate cause, etc. Candidates are also expected to be able to outline a number of important law cases which illustrate other matters dealt with in the Marine Insurance Act and the Insurance Act 2015.

Module A2 is approximately 75% hull and machinery claims and 25% cargo claims. The emphasis is on the standard clauses used in the London insurance market and claims for damage repairs/cargo losses. An outline knowledge of general average is required. The questions are generally short form and will include some simple worked examples. Study is largely carried out on an individual basis using recommended reading materials which are standard practitioner texts.

Module A3 requires a knowledge and understanding of (i) the different phases of exploration and production of oil and natural gas (ii) the equipment and technology used in exploration and production of oil and natural gas (iii) the common policy wordings used in Upstream and Offshore Energy Insurance, such as, WELCAR, EED8/86, LSDBF, Institute Clauses for Builders' Risks and Hulls - Port Risks, Institute Cargo Clauses, typical LOPI wordings (iv) the principles and practice applied to the adjustment of claims arising in Upstream and Offshore Energy Insurance. Candidates will need to demonstrate the ability to demonstrate this knowledge and understanding by providing solutions to practical claims questions. Module A3 questions will be approximately 30% construction related, 30% control of well related, 20% related to MODU's and 20% will relate to Operational and LOPI claims

SENIOR ASSOCIATE QUALIFICATION

In May 2016 a new qualification with the title '**Senior Associate**' was introduced which would be obtained on attaining passes in **two of the higher F-level** modules, which lead to the Fellowship qualification. Candidates must pass:

Module F1 (General Average and Salvage and Carriage of Goods by Sea)
...plus **either**
Module F2 (Hull Claims, including LOH) **or**
Module F3 (Collisions, Recoveries, Ancillary Insurances, Cargo, Miscellaneous)

In order to achieve Senior Associate status* the examinees will still have to attain the 75% pass mark in the same way as average adjusting examinees who are aiming to become Fellows of the Association.

By the introduction of this intermediate qualification, the Association has responded to demand from certain Associates who may not be working in adjusters' offices but who do wish to continue their studies, without necessarily completing the full qualification as Fellows. It is believed that the introduction of this new qualification will encourage non-average adjusting Associates to continue their studies and gain appropriate recognition by passing at least two of the Fellowship module exams.

Senior Associates will not be entitled to sign Payment on Account Recommendations and Adjustments using the Association's seal. Only Fellows of the Association will be entitled to use the seal in signing such documents.

NOTE FOR EMPLOYERS

Question setting and marking is carried out by the Fellows of the Association and the Offshore faculty to ensure high standards are maintained but there is an external moderator who checks the overall process.

Currently the Association has over **150 qualified Associates** and the exams continue to attract more candidates each year. Cost of entering the exam in the UK is currently £200 (plus VAT) per module (£275 if the examination is sat outside the UK), which defrays the costs of the Association holding the exams. The Association believes that these will become the standard requirement for anybody working in the marine insurance field and it is anticipated that some Associates will go on and take the Fellowship exams. However the Associateship is a standalone qualification.

Recent successful candidates who have passed the exams work for adjusters, brokers, insurers, ship-owners and insurance support services in London, the rest of the UK and various locations around the world.

Providing support for professional qualifications is widely regarded by many industries as an attractive way to recruit and retain employees. Demonstrated career development and support is frequently sought by graduates and early career professionals looking to build a career and achieve additional qualifications. The Association requests and recommends that Employers should support these examinations by:

- Paying exam entry charges
- Granting study leave both for the purpose of actually taking the exam and for preparation time
- Where appropriate, purchasing relevant text books
- Considering recognition, such as payments for success.

FURTHER INFORMATION

Please visit: www.average-adjusters.com/examinations for syllabuses, bibliographies, law case summaries, sample questions and past papers.

Administrative queries can be addressed to Sue Green at the AAA Secretariat: email: admin@average-adjusters.com Tel: +44 191 261 9456

For particular points concerning the examinations, the Convenor of the Examination Committee can be contacted: Mr. David Pannell: pannellandco@outlook.com

* (Failure to continue as a Member of the AAA would result in that person being removed from the list of Associates/Senior Associates on the website and in the Annual Report).