



ASSOCIATION OF  
Average Adjusters

**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.

From its foundation in 1869, one of the prime objectives of the Association (<http://www.average-adjusters.com>) has been 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 the Insurance Act 2015 and related principles of insurance 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 1906 and of the Insurance Act 2015 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, unrepaired damage etc. Candidates are also expected to be able to outline a number of important law cases which illustrate other matters dealt with in the above-mentioned statutes.

**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 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 MODUs/offshore wind 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; it is awarded to Associates who achieve passes in **two of the higher F-level** modules, which lead to the Fellowship qualification. Candidates must pass:

Module F1: General Average, Salvage and Carriage of Goods by Sea plus  
**either** Module F2: Hull & Machinery, Loss of Hire, War Risks, Cargo  
**or** Module F3: Collisions, Recoveries, Freight

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 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.

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.

Since the introduction of the Associate qualification over 250 members have qualified as Associates and currently there are 10 Senior Associates; with the exams continuing to attract more candidates each year. The cost of entering the exams can be found on the website.

The Association believes that achieving the status of Associate/Senior Associate remains a recognised stand-alone qualification for professionals involved in handling marine insurance claims, whether or not they go on to take the Fellowship exams.

**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](http://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](mailto: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](mailto:pannellandco@outlook.com)

\* Associates/Senior Associates maintain their status only if they continue as a Member of the AAA. Failure to maintain membership by payment of the annual subscription results in removal from the list of Associates/Senior Associates on the website and in the Annual Report.