Ocean Marine Insurance, by Arthur E. Brunck, Victor P. Simone and C. Arthur Williams, Jr.

Reviewer: J.J. Launie Ph.D., CPCU, Professor of Finance and Insurance, California State University, Northridge.

For most college and university professors of insurance, ocean marine insurance remains a romantic and mysterious enigma. A shift of a conversation into the area of ocean marine insurance is likely to be accompanied by rapid sideways glances and slightly sweating palms. Few university insurance courses cover this important field.

The Insurance Institute of America is the the publisher of this text. Two of the authors, Arthur E. Brunck and Victor P. Simone are retired ocean marine insurance underwriters. The third author, C. Arthur Williams, Jr. is Minnesota Insurance Industry Chair Professor of Economics and Insurance at the University of Minnesota.

As is the custom of the Institutes, these volumes were reviewed by industry practitioners who have expertise in the various areas covered by the text. The final result is a text which may be relied upon to be accurate and authoritative.

The first chapter of this text provides an overview and history of ocean marine insurance which reflects Art William's careful scholarship. Quite simply this is the best history of ocean marine insurance the reviewer has ever read. This chapter alone would qualify these volumes for a place on any insurance scholar's bookshelf.

Chapter 2 covers hull exposures. Commercial hulls are described in the text in great detail. The accompanying pictures are both illuminating and interesting. Anyone with even a casual interest in the sea will find the pictures and descriptions of hulls ranging from Ro-Ro ships to jack-up drilling barges fascinating. While private yachts are much less interesting, in the aggregate they represent a significant hull exposure. Perhaps they deserve more space in the chapter than they are given.

Chapter 3 covers hull insurance policies and provides an introduction to the arcane language of the field. These are not "easy reader" forms. There is a majesty and sweep to this language that modern forms lack. E.g.,

> **Perils**
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> **Touching the Adventures and Perils which the Underwriters are contented to bear and take upon themselves, they are of the Seas, Men-of-War, Fire, Lightning, Earthquake, Enemies, Pirates, Rovers, Assailing Theives, Jettisons, Letters of Mart and Counter-Mart . . .**

This is clearly more romantic than the language of the CGL. In most cases, the War, Strikes and Related Exclusions clause, formerly known as the Free of Capture and Seizure (FC&S) clause eliminates coverage for the war risk perils. But unlike most property policies, the war perils can be bought back for a price.

This chapter concentrates on and clearly explains the American Institute (not to be confused with the Insurance Institute) Hull Clauses. Other hull insurance policies are covered in Chapters 4 and 5.

Chapter 6 covers the underwriting of hull insurance. The evaluation of hazards, information required to make an underwriting include the selection of policy terms and pricing. Ocean marine pricing is based largely on judgement; therefore the underwriter's role in pricing is a major one.

Chapter 7 explores the legally oriented areas of marine liability and Protection and Indemnity (P&I). The origin of protection and indemnity in an 1836 case and its current form and practice are expertly covered in this chapter.

Cargo exposures are covered in Chapter 8, cargo policies in Chapter 9 and cargo insurance underwriting in Chapter 10. Chapters 9 and 10 on cargo insurance policy language and underwriting are particularly useful as reference works for the non-marine insurance person. Much confusion stems from the term average such as particular average and general average. As the text clearly points out, a loss in marine insurance is referred to as an average. Therefore a loss to a particular interest such as a cargo shipper is a particular average. The clause "with average if amounting to 3 percent" provides partial loss coverage for the perils of the sea with a 3 percent franchise deductible.

A general average situation is a bit more involved. Chapters 11 and 12 cover total loss, particular average and general average. When a voluntary and successful sacrifice is made a part of the property of a marine advanture for the common benefit at a time of peril, there exists a general average act. A reasonable extraordinary expense incurred under the same circumstances would also be deemed to be a general average act the text points out. The many ramifications of general average and average adjusting are covered in Chapter 12.

This two volume text is an excellent teaching and reference work which should find a place on every insurance scholar's bookshelf. In spite of the terse writing style, the romance of the sea permeates these volumes. The reader should be warned that idly opening these pages may result in several lost hours. This text is a browser's delight.

Medical Malpractice: Pharmacy Law, David B. Brushwood (Shepard's/McGraw Hill, Colorado Springs, 1986).

Reviewer: Joe H. Murrey, Jr., University of Mississippi.

The casual reader who takes this book from the shelf may wonder if it is possible to produce a work combining the highly technical areas of law and pharmacy. That is, can a book hold one's interest for 275 pages of material written in statute book style and another 161 pages of appendices? Allay all fears–the author, who holds degrees in both law and pharmacy, has