



MASTER CUSTOMS SPECIALIST (MCS) Course

Module 22: Cargo Insurance | Quiz

- 1) The cost of insurance is not required to be listed on the Commercial Invoice.
 - True
 - False

- 2) Insurance coverage is initiated by completing the certificate of insurance before goods are shipped.
 - True
 - False

- 3) Because insurance requirements are not specifically spelled out in most Incoterms rules, it will be necessary for the seller and buyer to specify insurance responsibilities in the contract or quote.
 - True
 - False

- 4) Which Incoterm(s) specifically identifies which party is responsible for obtaining cargo insurance?
 - A) CIP
 - B) DAP
 - C) CIF
 - D) Both A and C

- 5) As a low-volume exporter, purchasing insurance through an insurance company will be the easiest and most cost-effective option.
 - True
 - False



- 6) If my company, as the seller, only has one specific shipment that we'd like to insure, which type of insurance should we consider? We are responsible for purchasing the insurance for this one shipment.
- An Open Cover Cargo Policy
 - A Specific Cargo Policy
 - A Contingency Insurance Policy
 - A Single Shipment Policy
- 7) My company sold some widgets to an overseas customer. The buyer is responsible for obtaining insurance for the shipment, so we don't need to worry about insurance.
- True
 - False
- 8) Which losses are not covered under all risk coverage?
- Infestation
 - Loss from acts of war
 - Employee dishonesty
 - All losses are covered
- 9) I have a General Average Coverage policy and I own 20% of the value of the containers on a cargo ship. A container worth \$200,000 goes overboard. How much will my policy pay the owner of the overboard container?
- Nothing. It wasn't my container.
 - \$20,000
 - \$40,000
 - \$200,000
- 10) Which of the following is not a factor that an insurance company uses to determine the value of an insurance certificate?
- The type of product being shipped
 - The packaging of the product
 - Whether an export license is needed
 - Mode of shipment