



INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2010 EXAMINATIONS

WEDNESDAY 28 APRIL – AFTERNOON

MARINE INSURANCE

Time allowed – Three hours

Answer any **FIVE** questions – All questions carry equal marks

1. Explain the meaning of **FOUR** of the following terms stating to what extent, if any, they may be covered under a marine insurance policy.
 - (a) New for old
 - (b) Loss of specie
 - (c) Inherent vice
 - (d) Sympathetic damage
 - (e) Sentimental loss
2. Explain how the provisions of the Marine Insurance Act 1906 are applied in practice in arriving at underwriters' liability where:
 - (a) a ship, insured under a valued policy, is damaged by an insured peril and repairs have been effected.
 - (b) Part of a consignment of goods, insured under a valued policy, is delivered at destination damaged by an insured peril?
3. In the context of the Marine Insurance Act 1906, explain:
 - (a) what is meant by 'assignment of the policy'?
 - (b) what are the rights of the assignee under an assigned policy?
 - (c) why the marine cargo policy is almost always assignable?
 - (d) the protection afforded the assignee by effecting the insurance on a 'lost or not lost basis'.
 - (e) the provisions of the International Hull Clauses (1/11/03) regarding assignment of the marine insurance hull policy.
4. Define the essential requirements for justifying a claim under sue and labour expenses and explain how these expenses differ from General Average expenditure.
5. In what circumstances may a shipowner give notice of abandonment of his insured ship? Explain the provisions governing such notice and the consequences they have for both the insurers and the assured.

6. What are the effects of the following on a marine cargo insurance subject to Institute Cargo Clauses (A) 1/1/09?
- (a) Breach of the principle of utmost good faith by the assured
 - (b) Breach of the implied warranty of seaworthiness of the carrying vessel
 - (c) Delay beyond the control of the assured.
7. The Marine Insurance Act 1906 states '*Subject to the provisions of this Act, every person has an insurable interest who is interested in a marine adventure*'.
- (a) What is a 'marine adventure'?
 - (b) When does a person have an interest in a marine adventure?
 - (c) When is proof of an insurable interest necessary?
 - (d) Give two examples of a hull interest and two examples of a cargo interest.
8. Discuss **ALL** of the following:
- (a) General Average contribution
 - (b) General Average bond
 - (c) General Average deposit
 - (d) General Average disbursements