INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2011 EXAMINATIONS

WEDNESDAY 20 APRIL – AFTERNOON

MARINE INSURANCE

Time allowed – Three hours

Answer any <u>FIVE</u> questions – All questions carry equal marks

1. Insurable interest is the principle which governs the legal right to insure. Discuss what this entails, covering in detail every aspect of the application of this principle in relation to marine insurance.

2. The assured who claims under the head of sue & labour will have to prove that it is not an expense that was incurred as a general average claim. Using suitable illustrations analyse how a claim under sue and labour is different from a general average claim, and how it may be pursued.

3. Explain the purpose and function of a Shipowners' Protection & Indemnity Club.

4. In marine insurance a 'warranty' is promissory in nature and is a condition precedent, the non-fulfilment of which will automatically discharge the Insurer from liability, or further liability as from the date of breach. Discuss with suitable example.

5. Discuss the following with suitable examples – Answer **BOTH** parts:

    (a) The doctrine of subrogation and the rights of a subrogated Insurer.

    (b) The duty of utmost good faith.

6. Explain the practical application of the doctrine of 'proximate cause', supporting your answer with an example.

7. Specify the legal liabilities which may devolve upon the Shipowner where his ship is held entirely responsible for a collision with another ship and explain to what extent these liabilities are recoverable under a policy subject to Institute Time Clauses – Hulls 1/11/95.

8. Imagine that you are the Owner of an oil tanker engaged in worldwide trade. While there is the risk of the vessel sailing in waters where there have been recent incidents of piracy, the deal as presented is lucrative and you are tempted, and exploring a workable solution to cover the risks. State the marine insurance cover/policy that you would require, outlining briefly the basis and scope of the cover provided by each of the policies.