



INSTITUTE OF
CHARTERED
SHIPBROKERS

NOVEMBER 2022 EXAMINATION SESSION
THURSDAY 24th NOVEMBER 2022 – MORNING

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. A fire broke out on board a vessel carrying general cargo. Efforts were made to put out the fire, resulting in a third of the cargo being jettisoned at sea. The vessel called into the nearest port to undergo emergency repairs, deviating from her contractual course. It resumed service after a delay of two weeks, before arriving at the discharge port.

The shipowner claims that it had incurred a huge bill to put out the fire, in addition to the bill for emergency repairs. The shipowner intends putting in a claim under General Average and/or Sue and Labour. The cargo owners need to know if they would have to make any contribution under General Average. Discuss the possible claims arising under Particular Average and General Average under the circumstances with suitable case laws to support your answer.

2. Using suitable case law to support your answer. Discuss what is the doctrine of subrogation and what are the rights of a subrogated insurer.
3. Explain the practical application of the doctrine of ‘proximate cause’, supporting your answer with suitable case law examples.
4. Answer **BOTH** parts of the question.

The responsibilities and liabilities of the assured and insurer are clearly set out in the Marine Insurance Act 1906. With suitable case law examples, discuss **BOTH** of the following:

- a) Insurable Interest
- b) Duty of fair presentation, as set out in the Insurance Act 2015

PLEASE TURN OVER

5. Analyse the difference between 'total loss' and 'constructive total loss' in relation to both the hull and the cargo policies.
6. A marine insurance policy may be effected to cover the subject matter insured for a period of time (time policy), or from one place to another (voyage policy). With reference to the provisions of the Marine Insurance Act 1906, discuss the principles of insurance relating to both a time policy and a voyage policy.
7. The vessel 'A' collided with a barge while leaving the port and sank. Initial investigations revealed that the 18-year-old ship had sustained extensive damages to its hull, including a big hole. Also, the collision had severely damaged the barge. The shipowner (of the single-ship company) is of the view that the cost of repairs together with settling the claims of the barge owners could far outweigh any gains made from repairing the vessel. The shipowner is facing a huge bill and is in talks with the banks and other financiers.
The shipowner requests your legal advice and would like to know if they would be justified in issuing a notice of abandonment under the Marine Insurance Act 1906, and if yes, what procedures are to be followed. Support your answers with suitable case law reference.
8. Describe the purpose and functions of a Shipowners' Protection & Indemnity Club, and discuss how it benefits the shipowners.