



TUESDAY 24TH NOVEMBER 2016 – MORNING

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

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

2. Explain the purpose and function of a shipowners' Protection & Indemnity Club.

3. Discuss with suitable examples how a warranty is promissory in nature, the non-fulfilment of which will automatically discharge the insurer from liability, or further liability as from the date of breach.

4. Explain the structure of the marine insurance market discussing the functions and responsibilities of insurance brokers within the market.

5. Using suitable examples, explain the practical application of the doctrine of proximate cause.

PLEASE TURN OVER

6. The right of subrogation is important to insurers, and it is a common practice for insurers to include subrogation provisions in a policy. This doctrine is statutorily recognised by the Marine Insurance Act 1906, and its application occurs at the expense of the insured. Explain the rights of a subrogated insurer. Use examples to support your answer.

7. Under what circumstances may a shipowner give notice of 'abandonment' of his insured ship? Explain the provisions governing such a notice and the consequences they have for both insurers and the assured.

8. The Marine Insurance Act 1906 specifies that an insurer is not liable for any loss which is not proximately caused by a peril insured against. Discuss with examples the statutory exclusions covered under Section 55(2) of the Act.