



THURSDAY 22ND NOVEMBER - AFTERNOON

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

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

2. The Insurance Act 2015 brought about changes to the Marine Insurance Act 1906, and one of the key effects was the introduction of the duty of 'fair presentation'. Discuss what the duty of 'fair presentation' is and how it has modified the duty of 'utmost good faith' which underpins a marine insurance contract?

3. 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. She resumed her service after a delay of two weeks, when she arrived at the discharge port.

The shipowner claims that it had incurred a huge bill to put out the fire, besides 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 and advise the cargo owners with suitable examples to support your answer.

4. Answer **ALL** parts of the question:

Using appropriate examples, state the measure of indemnity, as specified in the Marine Insurance Act, 1906, for damage to the insured ship

- a) Where the damage has been repaired;
- b) Where the damage has been partially repaired;
- c) Where the damage has not been repaired;
- d) Does the indemnity in the above cases get amended by the provisions of the Institutes Time Clauses?

PLEASE TURN OVER

5. Answer **ALL** parts of the question

The Marine Insurance Act, 1906 provides that the marine insurance policy is assignable unless it contains terms expressly prohibiting assignment. Explain:

- a) What is meant by 'assignment of the policy'
- b) Why the marine cargo policy is invariably assignable
- c) The rights of the assignee under an assigned policy
- d) The protection afforded to the assignee by effecting the insurance on a 'lost or not lost' basis
- e) The provisions of the Institute Time Clauses – Hulls regarding assignment of the marine insurance hull policy

6. Answer **BOTH** parts of the question.

Using your own figures explain:

- a) How the contributory value of the ship is calculated in a General Average adjustment
- b) How the underwriters' liability for their assured's General Average contribution is calculated

7. Explain the rights of a subrogated insurer, using examples to support your answers.

8. Discuss, with suitable examples, the practical application of the doctrine of 'proximate cause' in marine insurance practice.