



**THURSDAY 14<sup>th</sup> APRIL 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. Explain the structure of the marine insurance market and discuss the functions and responsibilities of insurance brokers within the market.
  
2. Answer **ALL** parts of the question with suitable case law to support your answer.
  - a) What are 'perils of the sea' as per the Marine Insurance Act 1906?
  - b) State the measure of indemnity, as specified in the Marine Insurance Act, 1906 for damage to the insured ship
    - i) where the damage has been repaired
    - ii) where the damage has been partially repaired;
    - iii) where the damage has not been repaired

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

A vessel is badly damaged by fire (an insured peril) and the assured, the shipowner, estimates that the cost of repairs will exceed the value of the ship when the repairs have been completed. Discuss:

- a) the options available to the shipowner
  - b) the procedure to be followed to claim under the policy
  - c) the position of the underwriters
4. With reference to the provisions of the Marine Insurance Act 1906, discuss the principles of insurance relating to a time policy and a voyage policy.

**PLEASE TURN OVER**

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

Discuss:

- a) The practical application of the doctrine of 'proximate cause' in marine insurance practice, and
  - b) The rights of the insurer under the principle of subrogation in an insurance contract.
6. What are the legal liabilities which may devolve upon the shipowner where their 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 1/1/95.
7. What is the doctrine of utmost good faith and how does it affect the performance of a marine insurance contract? Using examples to support your answer, discuss the obligations the above provision imposes upon the prospective assured and the broker, and its importance to the insurer.
8. The assured who claims under the head of sue and labour will have to prove that it is not an expense that was incurred as a general average claim. Using examples, analyse how a claim under sue and labour is different from a general average claim, and how it may be pursued.