



**NOVEMBER 2020 EXAMINATION SESSION**

**THURSDAY 12<sup>th</sup> NOVEMBER 2020 – MORNING**

# **MARINE INSURANCE**

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Both Shipowners' Protection & Indemnity Clubs and conventional marine insurers are governed by the provisions of the Marine Insurance Act 1906. Unlike an insurance company, which is answerable to its shareholders, a Mutual P&I Club is the servant only of its members. Explain the purpose and function of a Shipowners' Protection & Indemnity Club, and how it benefits the shipowners.
2. Discuss with suitable examples the practical application of the doctrine of 'proximate cause' in marine insurance practice.
3. What circumstances may prompt a shipowner to 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.
4. 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 if, in your opinion, the duty of 'fair presentation' as introduced by the Insurance Act 2015 has modified the duty of 'utmost good faith' which underpins a marine insurance contract?
5. *'The Assured under a contract of marine insurance policy is under an obligation to avert or minimise the loss'*. Analyse the implications of this statement for an assured in a marine insurance policy.

**PLEASE TURN OVER**

6. 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, i.e., ITCH 1/10/83; 1/11/95/; or IHC 2003?

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

Providing suitable case law reference, discuss critically:

- a) What is Particular Average Loss,
- b) When may a General Average Loss arise.

8. One of the key changes introduced by the Insurance Act 2015 to the Marine Insurance Act 1906 was the position regarding 'breach of warranty' and the consequences thereof. In your opinion has the change resulted in eliminating the significant effects of breaching a Warranty or, made it more complicated for the market? Discuss using suitable examples.