



MAY 2021 EXAMINATION SESSION
THURSDAY 27TH MAY 2021 - MORNING

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

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

- a) Explain the use of a floating Policy under S.29 of the Marine Insurance Act 1906. Use suitable examples to support your answer.
- b) Explain what are 'perils of the sea' as per the Marine Insurance Act 1906?

2. 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 cost to put out the fire, in addition to the cost 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.

3. Has the Insurance Act 2015 efficiently eliminated the harsh effects of breaching a warranty, or has the Act made them more complicated for the market?
4. The doctrine of subrogation is statutorily recognised by the Marine Insurance Act 1906, and its application occurs at the expense of the insured. What are the rights of a subrogated insurer? Explain with suitable case law examples.

PLEASE TURN OVER

5. 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
6. Explain the practical application of the doctrine of 'proximate cause', supporting your answer with suitable case law examples.
7. You are the owner of an oil tanker engaged in worldwide trade, and there is the risk of the vessel sailing in waters where there have been recent incidents of piracy. State the type of MI cover / policy that you would require under the circumstances, outlining briefly the legal basis and scope of the cover provided by each of the policies that you intend to enter into.
8. Answer **BOTH** parts of the question:
 - a) Explain the purpose and function of a Shipowners' Protection & Indemnity Club, and how it benefits the shipowners.
 - b) Discuss the difference between the concepts of 'total loss' and 'constructive total loss' in relation to both the hull and the cargo policies.