



MAY 2025 EXAMINATION SESSION
THURSDAY 22nd May 2025 – MORNING

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Time and voyage policies play a significant role in managing operational risks in the maritime industry. Analyse the relevance of these policies in shipping practice, with reference to the provisions of the Marine Insurance Act 1906 and relevant case law reference.
2. The terms of the marine insurance cover of a luxury cruise liner warranted that
 - a) *‘the cruise liner is classed and the existing class maintained,’ and*
 - b) *‘the cruise liner shall at all-times be seaworthy and licensed to carry passengers.’*

While leaving port, the cruise liner collided with a chemical carrier, prompting the cruise liner owners to claim under the marine insurance cover for the damage sustained. It has however transpired that at the time of the accident the cruise liner was not classed.

The marine insurance company are contemplating the rejection of the claim on the grounds that the class warranty has been breached, besides exploring other legal issues that may arise under the circumstances. Advise the marine insurance company as to their rights to reject the claim. Support your answer with relevant case law reference.

3. A cargo ship owner takes out marine insurance on their vessel. The vessel is damaged due to the negligence of a port authority. The insurer pays out the claim in full. The shipowner later sues the port authority and recovers compensation for the same damage. Critically examine if the insurer can claim the recovered sum from the shipowner. Support your answer with relevant case law reference.

PLEASE TURN OVER.

4. Company A owns a cargo ship insured by Insurance Company B. While obtaining the insurance policy, Company A fail to disclose that the ship's hull had suffered significant damage during its last voyage, which was only partially repaired. During a subsequent trip, the ship sinks due to water ingress from the weakened hull. Can Insurance Company B deny the claim on the grounds of non-disclosure? What are Company A's obligations under the Marine Insurance Act 1906 as amended by the Insurance Act 2015? Support your answer with relevant case law reference.
5. Answer **BOTH** parts of the question.

Critically discuss, with suitable case law reference

- i. The circumstances that may prompt a shipowner to give a notice of 'abandonment' of their insured ship,
 - ii. The provisions governing such notice of 'abandonment' and the consequences they have for both the insured and the assured.
6. Answer **BOTH** parts of the question with case law reference to support your answers.

Critically discuss, with suitable case law reference

- a) Particular Average Loss
 - b) What are 'perils of the sea' as per the Marine Insurance Act 1906?
7. A cargo ship, facing a severe storm, jettisons cargo to stabilise and save the vessel. Upon reaching port, the shipowner demands that all cargo owners share the loss under general average rules. One cargo owner, i.e. Company A, refuses to contribute, claiming they did not consent to the jettison. Critically analyse whether Company A are legally required to contribute under the principle of general average. Support your answer with suitable case law reference.
8. In marine insurance law, it is recognised that loss or damage may be the product of multiple causes. Common law distinguishes those causes which are legally significant from those which are not, for the purposes of determining the actual cause of the loss sustained by the assured. Those causes which are more legally significant are loosely grouped under 'proximate cause'. Explain the practical application of the doctrine of 'proximate cause', supporting your answer with suitable case law reference.