



# EXAMINER'S REPORT NOVEMBER 2025

## MARINE INSURANCE

**Q1. Under UK Marine Insurance Law, warranties play a crucial role in defining the obligations of the insured. The Marine Insurance Act 1906 provided a rigid approach towards warranties, whereas the Insurance Act 2015 introduced reforms to create a more balanced framework. Critically analyse the concept of warranties and the legal consequences of their breach under the Marine Insurance Act 1906 and the Insurance Act 2015. Discuss the impact of these changes on both insurers and insured parties and evaluate whether the reforms have struck the right balance between contractual certainty and fairness. Support your answer with relevant case law reference for which marks will be awarded.**

An essay type question on breach of warranty as introduced under the 2015 Act. Students were expected to be familiar with the position of breach of a warranty as introduced under Sections 9, 10, and 11 of the Insurance Act 2015, which brought about changes to the MI Act 1906. The answer presented was to contain a detailed discussion on breach of a warranty as introduced under the Insurance Act 2015, and how it has modified the old position that a breach of warranty in a MI contract would have entitled the insurer to avoid all claims under the policy from the date of breach. Importantly, the discussion was to highlight how changes brought about by the Insurance Act 2015 lessens the severity of the consequences for the breach of warranty (breach of a warranty no longer automatically discharges the insurer from liability, and the insurer is only free from liability if the breach is relevant to the loss); how the changes apply to even to implied warranties (seaworthiness, legality); and that the changes introduced merely suspends and does not entirely discharge the insurer's liability until the breach is remedied.

Examples cited in the study material/ textbook, as There are currently no case laws under the modified position. Nevertheless, students can use the definition of warranties provided by Lord Mansfield in *Bean v Stupart (1778)* to distinguish the current position from the earlier view. See also *De Hahn v Hartley (1786)*. Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

**Q2. An insured cargo of electronics is stolen during unloading at a port. The insurance policy includes a 'warehouse-to-warehouse' clause. Critically analyse the insurer's liability under this policy. Support your answer with relevant case law reference.**

A problem scenario involving goods stolen during unloading operation. Students were expected to be familiar with the 'warehouse-to-warehouse' clause used in marine insurance contracts, and how it may apply to the facts presented. The 'warehouse-to-warehouse' clause is common in marine cargo policies and typically covers goods from the point of origin to the final warehouse at the destination. The answer presented was to contain a detailed discussion of the facts presented followed by an interpretation of the 'warehouse-to-warehouse' clause, and if the risk coverage under the policy had ceased at the time of the theft during unloading operations at the port of discharge/ or at the time the theft occurred. The legal discussion was to include an analysis of when the coverage of the policy ends, whether coverage extends until goods are safely landed, or until they are delivered. Students were also to take on board the exact time when the theft takes place to determine if the coverage is available.

Examples cited in the study material/ textbook, as there are currently no case laws on the issue. Case laws: (*Taylor v Liverpool & London Global Insurance Co (1874)*); *Compania Colombiana de Seguros v Pacific Steam Navigation Co [1965]*; *Canada Rice Mills v Union Marine and General Insurance Co Ltd [1941]*; *St Paul Fire & Marine Insurance v McConnell Dowell Constructors [1995] 2 Lloyd's Rep 116*; *Wurtembergische Versicherung v Colliers [1998] 1 Lloyd's Rep 421*) Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

**Q3. 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 arrived at the discharge port after a delay of two weeks. The shipowner claims that they have incurred a significant cost to put out the fire, and for carrying out emergency repairs. The shipowner intends putting in a claim under General Average (GA) and/or Sue and Labour. The cargo owners need to know if they would have to make any contribution under GA. Critically discuss the possible claims arising under particular average and GA under the circumstances with suitable case law reference.**

A problem scenario on GA/ Sue & Labour. Students were expected to be familiar with the GA and Sue & Labour. A detailed discussion was to be carried out on whether under the circumstances, the losses arising would fall under particular average loss, or a GA loss – in the case of a particular average loss, there is no question of contribution as it is entirely upon the person who actually suffered the loss, as opposed to a GA which is voluntarily incurred for the common good; the options available to the shipowner; the procedures to be followed whilst lodging any claim, and the rights of the cargo interests. Facts presented, indicate that there is a strong case for GA, and or sue & labour, as opposed to particular average (PA) loss. PA falls on individual cargo interests, and delay losses not recoverable.

Students were to include/refer to the relevant provisions of the Marine Insurance Act 1906 in the discussion with reference to case laws.

Quality of illustrations, both case laws and examples – the cited in the study material/ textbook and student's own choice. Case laws: ***Hingston v Wendt [1864]***; ***Att-Gen v Adelaide Steamship Co Ltd [1923]***; ***Birkley v Presgrave (1801)***; ***Smith v Black Sea & Baltic General Insurance (1940)***; ***Societe Nouvelle D'Armement v Spillers & Bakers [1917]***. General structure and quality of answers – dealing with the issues individually and critically using relevant case laws and references.

**Q4. The vessel OCEAN collided with a barge while leaving the port after discharging its cargo. The collision resulted in leaving a big hole in its hull. Initial investigations revealed that the 18-year-old ship had sustained extensive damages to its hull. Further assessments have raised doubts about the viability of using her as a sea going vessel. Also, the collision had severely damaged the barge. The shipowner (of the single-ship company) is of the view that the cost of repair together with settling the claims of the barge owners could far outweigh any gains made from repairing the vessel. The shipowner is facing a huge bill.**

A problem question on abandonment. Students were expected to be familiar with the sections 60(2)(i) and 62(1) of the Marine Insurance Act 1906, and the application of the above laws to the facts presented. Answers should contain a detailed discussion of the facts presented, and on 'notice of abandonment' of a ship by the shipowner. Discussions were to include, if and when may such a notice be issued under the given circumstances; constructive total loss (CTL) of the subject matter insured, etc. It should be noted in the event no notice of abandonment was given, the loss would be treated as a partial loss, and the right to claim a CTL may be lost. The answer was to include a clear discussion on the consequences of such a notice on both insurer and the assured with reference to case laws and the provisions of the MI Act 1906. The scenario presented indicate a strong case for CTL given the disproportionate repair and liability costs – repairs are commercially unjustifiable (see ***Irving v Manning (1847)***). The insurer could dispute valuation, or argue repairs were feasible at lower cost.

Quality of illustrations, both case laws (***Royal Boskalis Westminster NV v Mountain [1997]***; ***Robertson v Nomikos [1939]***; ***Irving v Manning (1847)***; ***Knight v Faith [1850]***; ***Benson v Chapman (1849) 2 HLC 696***; ***The Armar (1888) 13 App Cas 1***) and examples – the cited in the study material/ textbook and student's own choice. General structure and quality of answers - dealing with the issues individually and critically using relevant case laws and references. Bonus marks for anyone citing the most recent decision in ***MV Renos [2019]***.

**Q5. What is the doctrine of subrogation and what are the rights of a subrogated insurer? Discuss using suitable case law reference.**

An essay type question on subrogation. Students were expected to be familiar with the doctrine of subrogation which is considered as a necessary incident of a contract of indemnity in marine insurance contracts. A detailed discussion was to be presented on the doctrine of subrogation, which is widely viewed as a corollary to the principles of indemnity in insurance contracts and covered under the MI Act 1906. The discussion were to clearly set out the fundamental principle that once indemnified *an assured is not permitted to be compensated twice*, which is contained in section 79 of the MI Act 1906, with 79(1) covering total loss and 79(2) covering partial loss. The discussions were also to outline the importance of the doctrine to the insurers, how it works through the substitution of the insurer to the rights of the insured, and as a normal incident of indemnity.

Case laws and examples cited in the study material/ textbook and student's own choice. Case laws: ***Castellian v Preston [1882]***; ***Burnard v Rodocanachi (1882)***; ***Simpson v Thomson (1877)***; ***Yorkshire Insurance Co v Nisbet Shipping Co Ltd [1961] 1 Lloyd's Rep 479***. Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

**Q6. The responsibilities and liabilities of the assured and insurer are clearly set out in the Marine Insurance Act 1906 and the Insurance Act 2015. With suitable case law examples, discuss BOTH of the following: a) Insurable Interest b) Duty of fair presentation.**

Students were expected to be familiar with **a)** insurable interest, and **b)** the duty of 'fair presentation' introduced under Section 3 of the Insurance Act 2015, which brought about changes to the MI Act 1906, and how it may apply to the facts presented. The students were to present a detailed discussion on **a)** insurable interest with reference to the provisions of the MI Act 1906 and case law reference, and **b)** the duty of 'fair presentation' introduced under the Insurance Act 2015, and how it has modified the duty of 'utmost good faith' which underpins a contract of indemnity in marine insurance laws. Importantly, students were to mention the new system of remedies introduced under the Insurance Act 2015, *i.e.*, that the remedy of avoidance for a breach of the duty of utmost good faith is abolished and is only available where material non-disclosure/ misrepresentation; and a proportionate remedy is introduced.

Examples cited in the study material/ textbook, as there are currently no case laws on the issue. (***Lucena v Craufurd (1806)***; ***Moonacre [1991]***) Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references.

**Q7. Answer BOTH parts with reference to suitable case law reference: a. Describe 'perils of the sea' as per the Marine Insurance Act 1906, b. Discuss insurable interest and what it entails, covering in detail every aspect of the application of this principle in relation to marine insurance.**

A two-part essay type question on a) perils of the sea, and b) insurable interest. Preliminary discussion on **a.** 'perils of the sea', and **b.** 'insurable interest' as under the MI Act 1906. Students were expected to be familiar with the perils of the sea and how the measure of indemnity is calculated in insurance practice. A detailed discussion was to be presented on **a.** 'perils of the sea', and **b.** what is insurable interest and as per the MI Act 1906 (s. 5, s. 7, s.14(3), etc.), and what it entails, and can be identified as having an insurable interest (*shipowners; cargo interests; mortgagor & mortgagees, insurer, etc.*) and when interest must attach. Students were expected to be fully acquainted with the perils of the sea and demonstrate a good understanding of what is insurable interest and what it entails.

Quality of illustrations, both case laws and examples – the cited in the study material/ textbook and student's own choice. Case laws: *The Inchemarre (1887); The Miss Jay Jay [1985]; The La Pointe [1991]; Mountain v Whittle [1921]; Buchanan & Co v Faber [1899]*. General structure and quality of answers - dealing with the issues individually and critically using relevant case laws and references.

**Q8. Cruise liner 'C' which provided luxury cruises, was insured with 'M' Insurance. The terms of the cover 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.' 'C' collided with a container carrier, prompting the owners to claim under the marine insurance cover for the damage sustained. However, at the time of the accident the cruise liner was not classed. 'M' Insurance is 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 'M' insurance as to their rights to reject the claim both under the Marine Insurance Act 1906 and the Insurance Act 2015.**

A problem scenario on breach of express warranty and duty of fair presentation. Students to present preliminary discussion on the facts of the case and the legal issues arising for consideration, *viz.*, breach of express warranty, and a possible breach of duty of fair presentation, and the options available to the insurers under the circumstances and the procedures to be followed. A detailed discussion was to be carried out on whether under the circumstances, the claim can be considered as being in breach of the 'express warranty', and if the failure to disclose the information that the cruise liner was not classed would amount to a breach of the 'duty of fair presentation.' Both legal positions are to be considered under the modified/new position as introduced by the Insurance Act 2015. Students were to include/refer to the relevant provisions of the Marine Insurance Act 1906 and the Insurance Act 2015 in the discussion with reference to case laws.

Examples cited in the study material/ textbook, as there are currently no case laws under the modified position. Nevertheless, students can use the definition of warranties provided

by Lord Mansfield in ***Bean v Stupart (1778)*** to distinguish the current position from the earlier view. Answers are to be well structured, dealing with the issues individually and critically using relevant case laws and references