



THURSDAY 17th APRIL 2014 – AFTERNOON

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Insurable interest is the principle which governs the legal right to insure. Discuss what this involves, covering in detail the application of this principle in relation to marine insurance.

2. Answer **both** parts of the question using suitable examples:
 - 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. Using suitable examples, discuss **both** of the following principles of insurance:
 - a) proximate cause
 - b) indemnity.

4. The effect of a breach of warranty is complex, and it is one of the technical defences that insurers can use to challenge liability for claims. Discuss with suitable examples.

PLEASE TURN OVER

5. Discuss **both** of the following with examples:
- The circumstances in which an assured may claim an actual total loss
 - The doctrine of uberrimae fidei and how it affects a marine insurance contract.
6. Answer **both** parts of the question:
- Explain how the contributory value of the ship is calculated in a general average adjustment
 - Explain how underwriters' liability for their assureds' general average contribution is calculated.
7. Discuss the legal liabilities of a ship owner where his ship is held entirely responsible for a collision with another ship. Explain to what extent these liabilities are recoverable under a policy subject to Institute Time Clauses – Hulls 1/11/95.
8. Under the Marine Insurance Act 1906, a marine insurance policy is assignable unless it contains terms expressly prohibiting assignment.

Explain **all** of the following:

- Assignment of policy
- Why the marine cargo policy is invariably assignable
- The rights of the assignee under an assigned policy
- The protection afforded to an assignee by effecting the insurance on a 'lost or not lost' basis.