



POSTPONED MAY 2020 EXAMINATION SESSION

THURSDAY 16th JULY 2020 – AFTERNOON

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. The assured who claims under the head of Sue & Labour will have to prove that it is not an expense that was incurred as a general average claim.

Using examples to support your answer analyse how a claim under Sue & Labour is different from a general average claim, and how it may be pursued.

2. Explain **BOTH** the below, providing suitable examples with case law reference:
 - a. Particular Average Loss
 - b. General Average Loss.

3. 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 owners to claim under the marine insurance cover for the damage sustained.

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 under the amended laws.

4. Both time and voyage policies are widely used to cover different operational risks. Discuss with reference to case laws and the provisions of the Marine Insurance Act 1906, the relevance of the two policies in shipping practice.

PLEASE TURN OVER

5. 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.

6. Discuss the difference between the concepts of 'total loss' and 'constructive total loss' in relation to both the hull and the cargo policies.

7. 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 an Open Cover under the Marine Insurance Act 1906. Use suitable examples to support your answer.

8. The doctrine of subrogation is statutorily recognised by the Marine Insurance Act 1906, and it is a common practice for insurers to include subrogation provisions in a policy. Explain the rights of a subrogated insurer. Use examples to support your answer.