



INSTITUTE OF
CHARTERED
SHIPBROKERS

MAY 2023 EXAMINATION SESSION
WEDNESDAY 17th MAY 2023 – MORNING

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. 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.
2. Answer **BOTH** parts of the question.
Discuss critically with reference to suitable case laws
 - a. the circumstances that may prompt a shipowner to give a notice of 'abandonment' of their insured ship, and
 - b. identify the provisions governing such notice of 'abandonment' and the consequences they have for both the insured and the assured.
3. 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.
4. Why is the assured under a contract of marine insurance policy under an obligation to 'avert or minimise the loss'? Discuss critically with reference to suitable case laws.

PLEASE TURN OVER

5. A fire broke out in the engine room of ship A. Having lost its engine power, the ship had to be towed into port. The shipowners have now lodged a claim with their marine insurers. While processing the claim it became apparent that during the last survey, which was carried out five months before the incident, it was advised that the vessel be drydocked to carry out extensive repairs to the engine within the next four months.

The insurers have proceeded to reject the claim on the grounds that this vital piece of information was not disclosed by the assured (owners of ship A), and that as a result the assured were in breach of the provisions of the Marine Insurance Act 1906 (as amended by the Insurance Act 2015), including the 'duty of fair presentation.' The assured, however, contends that the survey report was not available at the time of taking out the cover.

Critically discuss the rights of the parties in the given circumstances.

6. The doctrine of subrogation is statutorily recognised by the Marine Insurance Act 1906, and its application occurs at the expense of the insured. Critically discuss with suitable case law the rights of a subrogated insurer.
7. Answer **BOTH** parts of the question, with case law examples to support your answers.
 - a. What are 'perils of the sea' as per the Marine Insurance Act 1906?
 - b. Define a general average act and state the essential features which must exist in order for it to be justified.
8. Explain the purpose and function of a Shipowners' Protection & Indemnity Association.