



INSTITUTE OF  
CHARTERED  
SHIPBROKERS

**MAY 2024 EXAMINATION SESSION**  
**THURSDAY 23<sup>rd</sup> MAY 2024 – MORNING**

## **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 analyse how a claim under Sue & Labour is different from a general average claim, and how it may be pursued.
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 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 under the amended Marine Insurance Act 1906.

3. Has the Insurance Act 2015, in your opinion, efficiently eliminated the harsh effects of breaching a warranty as provided under the Marine Insurance Act 1906? Or, has the Act made the law more complicated for the market?

**PLEASE TURN OVER**

4. A vessel is badly damaged by fire (an insured peril) and the Assured, the shipowner, estimates that the costs of repairs will exceed the value of the ship when the repairs have been completed. Discuss the options open to the shipowner and the procedures that must be followed in claiming under the policy, explaining both the shipowner's position and that of their underwriters.
5. Answer **ALL** parts of the question.

State whether, in your opinion, the following losses or expenses should be allowed in general average under the terms of the York-Antwerp Rules. Give reasons supporting your decision in each case.

- a) Deterioration of fruit caused by a delay at a port of refuge to which the carrying ship has sailed for repairs following a general average act.
  - b) Towage expenses incurred by the shipowner in saving his ship while in ballast *en route* to a port to load cargo.
  - c) Pilferage of goods temporarily stored in a warehouse at a port of refuge while carrying vessel is undergoing repairs following a general average act.
  - d) Cargo damaged by water in the mistaken, but nevertheless genuine, belief that the ship was on fire.
6. A vessel was on a voyage from Southampton, UK to Calais, France, and had a voyage policy to cover the voyage. The policy clearly stated that the policy was 'at and from Southampton to Calais'. On 3 March, the vessel sailed from Southampton, and proceeded to Dover, instead of Calais. While approaching Dover there was a fire on board the vessel. The shipowners duly put in a claim under the voyage policy. The insurers have now rejected the claim as unsustainable. Discuss critically the right of the shipowner.
  7. 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. Discuss with suitable case law reference the rights of a subrogated insurer.
  8. Explain the purpose and functions of a Shipowners' Protection & Indemnity Association, and how it benefits the shipowners.