



**NOVEMBER 2024 EXAMINATION SESSION
TUESDAY 19th NOVEMBER 2024 – AFTERNOON**

MARINE INSURANCE

Time allowed – three hours

Answer any FIVE questions – all questions carry equal marks

Please read the questions carefully before answering

1. Why would an insurer who has insured a risk want to reinsure it with another insurer?
Critically discuss with suitable case law reference.

2. Answer **BOTH** parts of the question with suitable case law reference:
 - a) What are the losses excluded from a marine insurance policy?
 - b) What is insurable interest, and how does this principle apply to marine insurance?

3. The vessel STAR was carrying a cargo of soya bean meal from Argentina to Shanghai. The insured freight policy contained a 'sue and labour' clause and warranted free from particular average. The STAR encountered heavy weather and had to put into an intermediate port where she was declared a constructive total loss. This necessitated the cargo to be transhipped and carried on board the vessel SKY. The shipowners have now put in a claim for the expenses incurred in chartering the SKY and cargo handling fees and suing and labouring expenses. The underwriters have proceeded to reject the claim contending that the policy was warranted free from particular average.

Critically discuss with suitable case law reference, whether the claim is sustainable.

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. The vessel NORTHERN STAR collided with a naval vessel belonging to Country A and was deemed a total loss. Upon a claim being lodged, the insurers have indemnified the owners of the NORTHERN STAR. Since being indemnified, the shipowners have now commenced proceedings in Country A for damages for the loss of the NORTHERN STAR. The claim made in the court proceedings are far higher than the payout received from the insurers. The insurers are contemplating suing the shipowners contending that they are entitled to the full amount under subrogation.

Critically discuss, with suitable case law reference, the rights of the shipowner and the insurer.

6. The Marine Insurance Act, 1906 provides that the marine insurance policy is assignable unless it contains terms expressly prohibiting assignment.

Explain **FOUR** of the following:

- i. 'assignment of the policy';
 - ii. why the marine cargo policy is invariably assignable?
 - iii. the rights of the assignee under an assigned policy
 - iv. the protection afforded to the assignee by effecting the insurance on a 'lost or not lost' basis
 - v. the provisions of the Institute Time Clauses – Hulls regarding assignment of the marine insurance hull policy.
7. In marine insurance law, it is recognised that loss or damage may be the product of multiple causes. Common law distinguishes those causes which are legally significant from those which are not, for the purposes of determining the actual cause of the loss sustained by the assured. Those causes which are more legally significant are loosely grouped under 'proximate cause'.

Explain the practical application of the doctrine of 'proximate cause', supporting your answer with suitable case law reference.

8. Answer **BOTH** parts of the question.

Critically discuss using case law examples to support your answers:

- a) Particular Average Loss
- b) General Average Loss