

# THE INSTITUTE OF CHARTERED SHIPBROKERS

APRIL 2006 EXAMINATIONS

TUESDAY 11 APRIL 2006 – AFTERNOON

## MARINE INSURANCE

**Time allowed – Three hours**

**Answer any FIVE questions – All questions carry equal marks**

1. Discuss the principle of insurable interest, covering in detail every aspect of the application of this principle in relation to marine insurance.
2. State, with examples, the circumstances in which an assured may claim an actual total loss and explain the rights that automatically accrue to underwriters upon payment of such a claim.
3. A ship is insured under a policy subject to the International Hull Clauses 01/11/02.
  - (a) State the circumstances under which the insured shipowner is entitled to claim a constructive total loss in respect of the insured ship.
  - (b) Explain when underwriters may agree to pay a compromised total loss of the insured ship.
4. Explain the provisions of the Marine Insurance Act, 1906 where, with the privity of her owner, a ship commences a voyage in an unseaworthy condition and state to what extent, if any, these provisions are amended by:
  - (a) a policy subject to Institute Cargo Clauses (A) 1/1/82 covering the cargo on board;
  - (b) a policy subject to International Hull Clauses 01/11/02 covering the ship.
5. Explain how the provisions of the Marine Insurance Act, 1906 are applied in practice in arriving at underwriters' liability where:
  - (a) a ship, insured under a valued policy, is damaged by an insured peril and repairs have been effected;
  - (b) part of a consignment of goods, insured under a valued policy, is delivered at destination damaged by an insured peril.

P.T.O.

**6.** Define the following provisions of the Marine Insurance Act, 1906 and explain to what extent they are amended by the Institute Cargo Clauses (A) 1/1/82.

(a) Change of voyage.

(b) Deviation

(c) Delay

**7.** Illustrating your answer with your own figures:

(a) Show how the average adjuster when preparing the general average adjustment calculates the general average contribution of the insured ship.

(b) Show underwriters' liability for this contribution.

**8.** Explain the purpose and function of a Shipowners' Protection & Idemnity Club.