



ICM

SEPTEMBER 2015

MARINE INSURANCE

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
- b) Answer any FIVE questions
- c) All questions carry equal marks. Marks for each question are shown in []
1. What requirements are necessary in order to be entitled to a general average contribution? [20]
2. A ship owner, as a result of a peril insured against, suffers the following losses of a general average nature:
- | | |
|----------------------------------|------------|
| General average sacrifice damage | £800,000 |
| General average expenditure | £400,000 |
| Total | £1,200,000 |
- Calculate the amount recoverable from the cargo interests by way of general average contributions given the following contributory values:
- | | |
|-------|-------------|
| Ship | £6,000,000 |
| Cargo | £18,000,000 |
| Total | £24,000,000 |
- [20]
3. What is the effect of underinsurance on any sums recoverable under the General Average and Salvage Clause in the Institute Time Clauses – Hulls 1/11/95 contract? [20]
4. Answer ALL THREE parts of this question.
In EACH of the following situations, how many policy deductibles would be applicable in claims under a hull and machinery policy with Institute Time Clauses – Hulls 1/11/95 conditions? State your reasons.
- a) Whilst moored in port a vessel sustains damage by ranging on a number of occasions due to negligent mooring, which the crew fail to improve even after the vessel has sustained some damage. [7]
- b) A vessel is moored at a port where it is customary to lie safely aground at low tide. Whilst at that port for three days she sustains damage by sitting on the ground in way of an unknown obstruction or an unexpected unevenness of the bottom. [7]
- c) Whilst sailing from Port A to Port B, a voyage of seven days, a vessel suffers heavy weather damage on day two and day six. [6]
5. Write notes on and distinguish between:
- a) Salvage charges
- b) General average expenditure
- c) Sue and labour charges
- d) General average sacrifice [5 each]
6. a) In the context of marine insurance, when is a contract void and when is it voidable? In the case of a voidable policy, is it still a legally valid document? [8]
- b) In relation to marine insurance, what is **insurable interest**? When does interest normally apply? [8]
- c) What is the difference between a defeasible and a contingent insurable interest? [4]
7. Describe the purpose, intent and operation, together with an outline of the Institute Warranties. [20]
8. Explain, giving examples, the difference between total loss and partial loss. [20]