



NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF LAW, DEPARTMENT OF COMMERCIAL LAW  
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja

**2023\_1 POP EXAMINATION...**

**PROGRAMME:** MASTER OF LAWS  
**COURSE CODE:** CLL809  
**COURSE TITLE** LAW OF MARINE INSURANCE I  
**CREDIT UNITS:** 3

**INSTRUCTIONS:** (a) Indicate your Matriculation Number clearly  
(b) Attempt Question one (1) and any other two (2) questions  
(c) Question one (1) is compulsory and carries 30 marks, while the other questions carry 20 marks each.

**TIME ALLOWED:** 3 hours

**QUESTION 1**

Section 53 of Marine Insurance Act 2004 provides as follows:

*Unless otherwise agreed, the duty of the assured or his agent to pay the premium, and the duty of the insurer to issue the policy to the assured or his agent, are concurrent conditions, and the insurer shall not be bound to issue the policy until payment or tender of the premium.*

On the other hand, the Insurance Act 2003 at section 50(1) states as follows:

*The receipt of an insurance premium shall be a condition precedent to a valid contract of insurance and there shall be no cover in respect of an insurance risk unless the premium paid in advance.*

- (a) Do you think section 50(1) should apply to a contract of marine insurance? Justify your answer. (20 marks)
- (b) What legislative reforms would you propose to cure this inconsistency? (10 marks)

**QUESTION 2**

Section 5 Marine Insurance Act 2004 provides that every lawful maritime adventure may be the subject matter of a marine insurance. It categorised insurable property likely to be exposed to maritime perils into (a) ships, goods and other movables; (b) intangible property, like freight, profit, etc; and (c) liability to third parties.

- (a) Discuss the requirements for a marine insurance policy on goods. (10 marks)
- (b) Examine practical circumstances that will move the shipowner to consider and take out a third-party policy of marine insurance? (10 marks)

**QUESTION 3**

A contract of insurance may be for a period of time, for a voyage, or for both time and voyage. Where the subject matter is insured for a fixed period of time, the policy is called a time policy; and where it is insured “at and from” or “from” one place to another or others, it is called a voyage policy.

Exhaustively discuss the time policy, taking time to separate the following:

- (a) Time policy with an extension or cancellation clause (10 marks)
- (b) Time policy with a geographical limit. (10 marks)

#### QUESTION 4

There is no gainsaying the fact that colonialism indeed gave the British a head start in maritime adventure complemented by marine insurance business. Consequently, the law and practice of marine insurance have greatly been impacted upon by the British precedent. Marine Insurance is the oldest form of insurance business. Guided by this historical exegesis, establish the link between history and the state of marine insurance in Nigeria. (20 marks)

#### QUESTION 5

While section 19 of Marine Insurance Act entrenches the principle of *Uberrimae fidei* as a touchstone of marine insurance, section 20(1) and (2) dwells on the duty of disclosure.

- (a) What relationship, if any, can be drawn between section 19 (utmost good faith) and section 20 (duty of disclosure)? (5 marks)
- (b) Analyse section 19 under the following heads:
  - (i) When to disclose (5 marks)
  - (ii) Material circumstance (5 marks)
  - (iii) Materiality and avoidance (5 marks)