

HONS.10/16/005

**B.A. LL.B., (Hons) DEGREE TENTH SEMESTER (Supplementary) EXAMINATIONS,
MAY 2016**

LAW OF INSURANCE

Time: 3 Hours

Maximum Marks: 50

PART- A

Answer ANY FOUR of the following. Each question carries TEN marks.

(4 x 10= 40)

- I. Clive Crook wrote (*The Economist*, 1991), "India is a caged tiger. The tiger, set free, can be as healthy and vigorous as any in Asia. ... The government must dismantle an unbelievably complicated system of restraints and rewards that, over the past four decades, has securely enclosed every aspect of Indian life". Comment on the above observation, with special reference to reforms in the regulation of Insurance sector post-1990.
- II. Explain the concept of Insurance contracts as requiring utmost good faith of the parties involved and the consequences of non-disclosure and misrepresentation in an Insurance contract.
- III. With the help of case laws and relevant statutory provisions, bring out the nature of risk, insurable interest as well as specific features of Marine Insurance.
- IV. "A healthy reinsurance marketplace helps ensure that insurance companies can remain solvent and therefore strengthens the economy." Clarify.
- V. What is Premium? What is its significance in the formation and continuance of Insurance contracts? In view of Section 64 VB of the Insurance Act, 1938 and relevant case laws, substantiate your answer.
- VI. Write short notes on **any two** of the following:-
 - a) Standard Fire Policy
 - b) Subrogation
 - c) Motor Accidents Claims Tribunal

PART- B

Answer ANY TWO of the following. Each question carries FIVE marks.

(2 x 5= 10)

- VII. The insured, Mr. A was involved in a motor accident. He received a notice of prosecution, but did not forward the same to the insurer, contrary to the conditions of insurance contract. The insurer, M/s. B Co. Ltd was notified by the police, but did not insist on notice from Mr. A. Later, M/s. B Co. Ltd. refused to pay the claim by Mr. A. Decide.
- VIII. Mr. A had taken a policy of fire insurance on his shop from M/s. B Co. Ltd. Later, a fire broke out in the shop, but caused little damage. However, a mob entered the shop and looted the goods during the course of fire. Can Mr. A claim the loss *in toto* from M/s. B Co. Ltd.?
- IX. Mrs. P signed a proposal form of insurance over some jewellery partly owned by her and her husband, without mentioning that Mr. P had been twice held and convicted for crimes of theft and dishonesty. Can the Insurers deny future claims on grounds of misrepresentation?