

PGDM (IBM), 2019-21  
Property-II (Construction and Engineering Insurance)  
INS-301  
Trimester-III, End-Term Examination: June 2020

Time allowed: 1 Hr 30 Mins

Max Marks: 30

Instruction: Your answers should be restricted to 600 words. All the questions are compulsory

**Case Study- I**

**CILO 1,2,3,4**

The Great Construction Company of Vishakhapatnam wants to cover their equipment / machinery under relevant Insurance policies. The following details have been made available by them:

Proposed period of Insurance: 1-8-2020 to 31-05-2021

Sl. No.	Particulars of Machinery, Tools, Plant, and Shuttering etc. owned by applicant	Quantity & Value
1	Concrete Batching Plant (Maximix / Schwing Stetter/Macons) (Capacity Upto 60 m3 per Hr.)	4 Nos. @ Rs.25 lacs each
2	Concrete Mini Batching Plant (Universal/Gamzen make) (Capacity 15 m3 per Hr.)	5 Nos. @ Rs.13 lacs each
3	Concrete Pump (Putmeitzer/ Aquarious / Schwing Stetter) (Capacity 48 m3 per Hr.)	Nil
4	Transit Mixers.	5 Nos. @ Rs.5 lacs each
5	Concrete Vibrators	5 Nos. @ Rs.50,000 each.
6	Tower Cranes	5 Nos. @ Rs.10 lacs each
7	Builder Hoists	5 Nos. @ Rs.5 lacs each
8	Shuttering Plates	6500 S.q.m. On rent @ Rs.12.50 - per sqm per day
9	Water Pumps	8 Nos. On rent @ Rs250/- per pump per day
10	Electric Motors (4 to 10 HP)	15 Nos. @ Rs.38,000 each
11	Diesel Generators (125 KVA)	5 Nos. on rent @ Rs.500 per machine per day
12	Communications equipment	35 Nos @ Rs.7500 each
13	Audio and video equipment	Rs.27.50 lacs
14	Computer and peripheral equipment	Rs.15.50 lacs

15	Semiconductor and other electronic components	Rs.10 lacs
16	JCB Excavator/ Loader.	5 Nos. @ 45 lacs each
17	Dumpers – 9 MT.	2 Nos. @ Rs.25 lacs each. Registration Number HR 10 T 1025 and HR 10 T 1026

The client has been provided with the following premium rates:

1. Fire Insurance @1.25%
2. Burglary Insurance @0.10%
3. Machinery Breakdown @ 1.10%
4. Marine Insurance @0.015%
5. EEI @ 1.00%
6. EQ cover as an add on cover @ 0.20%

The short period premium rates for Fire Insurance have been provided to the client which are as follows:

For a period not exceeding	15 days	10% of the Annual rate
-do-	1 month	15% of the Annual rate
-do-	2 months	30% of the Annual rate
-do-	3 months	40% of the Annual rate
-do-	4 months	50% of the Annual rate
-do-	5 months	60% of the Annual rate
-do-	6 months	70% of the Annual rate
-do-	7 months	75% of the Annual rate
-do-	8 months	80% of the Annual rate
-do-	9 months	85% of the Annual rate
For a period exceeding	9 months	The full Annual rate

Question No 1

Please compute the premium for a Comprehensive Insurance policy for the client so that all his risks are covered.

Question No 2

Please give a break up of the different insurance covers with their Sum Insured.

Question No 3

What kind of discounts (if any), may be allowed to the client ?

Question No 4

What extensions / add on covers can be offered to the client in the above case ?

Question No 5

What cannot be covered in the above case ?

(4+4+4+4+4)

## Case Study 2

CILO 1,4

Please design a Project Insurance Cover for the following risk- Plastic Module Manufacturing Unit

S No	Description	Sum Insured
1	Factory Building	1,00,00,000
2	Plant & Machinery, DG Set	95,00,000
3	Furniture, Fixtures & Fittings	25,00,000

The owner is the person who is getting the construction done.

The construction material is being brought from the nearby town by way of trawlers and then transported by trucks. The goods will be kept in sheds at the construction site.

FEA are available only on the ground floor.

Also need a testing period of 30 days.

The client wants the add on covers as entitled to.

Your response should identify the peril and then the Insurance policy for the same. (5+5)

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