PGDM-IBM, 2020-22

(Motor Insurance (Own Damage+TP)

(INS-306)

Trimester – III, End-Term Examination: April 2021

Time allowed: 2 Hrs 30 Min

Roll No: _____

Max Marks: 50

Instruction: Students are required to write Roll No on every page of the Answer Sheet. All other instructions on the question paper / notifications should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10 Or 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

SECTION-A

Q1. Use the least square regression equation using the following data to predict the number of claims, the underwriter would expect to get if the age of the insured driver was taken at 35. (CILO3)

Number of Motor Claims	-	Average Age of Driver
1		52
2		43
3		50
4		37
5		35
6		29
7		22
9		19

Or

Q1. Calculate the mean and median for the 25 motor insurance claim values as listed as below: (CILO3)

100 85 120 80 70 65 70 125 140 100 80 150 80 85

150 100 65 60 70 180 65 215 100 400 125

Q2. Describe the steps involved in transferring of ownership of OD and liability policies. Explain the documents that can be considered 'Evidence of Sales" to effect the transfer of ownership. (CILO2)

Or

Q2. Spell out the perils covered, exclusions and conditions of private car policy with adequate examples (CILO2)

Q3. Section 147 of MV Act deals with the requirements of policy and limits of liability. As a consultant, explain the differences in the provisions of Section 147 in MV Act 1988 and The Motor Vehicles (Amendment Act) 2015 (CILO 1)

Or

Q3. No Fault Liability is called no Fault Liability due to certain reasons. Explain the concept as articulated in MV Act 1988 and The Motor Vehicles (Amendment Act) 2015. Explain Grievous Hurt in details. (CILO 1)

SECTION-B

Compulsory Case Study

Case (CILO3)

Near Moradabad, on 17th January, 2019, there was a fatal road accident. The accident took place in the wee hours of morning. It was raining intermittently and the road was slippery. The deceased aged 42 year old technocrat working with BCCL was driving the car. He was driving at a very high speed. As a result, he lost control and collided against a road divider and this led to his death.

His annual Income was close to Rs,9,50,000/-p.a.,from various sources. He belonged to Hindu Joint family. He was well qualified and also a careerist. He is survived by his widow and 2 minor children. His legal heir claimed compensation of Rs. 60,00,000/-.

Salary:.	Rs.	6,00,000/- p.a.
Income from tuition:	Rs.	1, 50,000/- p.a.
Agricultural income	Rs.	1, 80,000/- p.a.
House rent accrued to HUF	Rs.	20,000/- p.a.
Total:	**Rs.**	**9, 50,000/- p.a.**

He ran a coaching centre along with his wife and earned Rs. 1, 50,000/-p.a. He would also coach during his free time and earned Rs. 50,000/- p.a.. to drive those vehicles, but very often he used to drive those vehicles. He was having few acres of agriculture land from which he was earning around Rs. 1, 80,000/- p.a . In his free time, he worked in his field also, thus contributed significantly in raising crops. He was also getting an income of Rs. 20,000/- p.a form house rent (accrue to Hindu Undivided Family). He also also paying income tax to the tune of Rs.20,000/- p.a.

Q1. Calculate the compensation based on multiplier method. (7.5)

Q2. Calculate the compensation based on unit method. (7.5)

Q3. Calculate the compensation based on future prospective method. (5)

Multiplier Table

Age of the deceased	Multiplier as per Sarala Verma's case	Multiplier as per Trilok Chandra's case	Multiplier as per Charlie's case *	Multiplier as provided in the Second schedule	Multiplier applied
1	2	3	4	5	6
Upto 15 Yrs	-	-	-	15	20
16 to 20 Yrs	18	18	18	16	19
21 to 25 Yrs	15	17	18	17	18
26 to 30 Yrs	14	16	17	18	17
31 to 35 Yrs	13	15	16	17	16
36 to 40 Yrs	12	14	15	16	15
41 to 45 Yrs	11	13	14	15	14
46 to 50 Yrs	10	12	13	13	12
51 to 55 Yrs	09	11	11	11	10
56 to 60 Yrs	08	10	09	09	08
61 to 65 Yrs	06	08	07	05	06
Above 65 Yrs	05	05	05	05	05

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