PGDM (IBM), 2020-22

Property-II (Construction and Engineering Insurance)

INS-307

Trimester-III, End-Term Examination: April 2021

Time allowed: 2 Hrs 30 Mins   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.

SECTION A
(10 marks * 3 questions) = 30 Marks
Answer 3 questions. Each question carries 10 marks

A-1a Insurance policies for the Construction and Operational phases may vary in their nature. Please elaborate with specific examples and if necessary, the value additions.

CILO 1

OR

A-1b The Business Interruption Insurance policies have become a mandatory requirement for the insurance covers for the manufacturing industry. How far is the statement true? Cite examples to support your view point.

CILO 1

A-2a   The EAR policy has some standard underwriting guidelines. Please elaborate upon at least 4 such guidelines with examples?   CILO 2

OR

A-2b Explain why a Financer should opt between a CPM and a CAR policies for insurance of a Toll Plaza at Vadodara on the Delhi Mumbai Expressway? Can we suggest any other policy? Elaborate with case studies.

CILO 2

A-3a The EEI policy has a number of exclusions. Please discuss them with examples.

CILO 2

OR

A-3b Differentiate between an ALOP Policy and an LOP policy. Give examples to strengthen your responses.

CILO 2

PTO

SECTION B – CASE STUDY   (CILO 3 and 4)

Answer both the questions. Each question carries 10 marks.   2*10 =20

B 1   Please design a Project Insurance Cover for the following risk-

Toll Plaza and 66.80 kms of road in Banda district of UP.

Project period is 24 months.

Maintenance period 36 months.

S No	Description	Sum Insured
1	Toll Plaza Building	2,00,00,000
2	Plant & Machinery, DG Set	1,05,00,000
3	Furniture, Fixtures & Fittings	35,00,000
4	Raw Materials	20,00,00,000

The owner is not the person who is getting the construction done. He wants to ensure the timely completion of the project. The Contractor has over 150 people working for him. The construction material is being brought from the nearby town by way of Inland Waterways and then transported by trucks. The client wants the add on covers as entitled to. Your response should identify the peril(s) and then the Insurance polic(ies)y for the same.

B 2

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 30 m3 per Hr.)	6 Nos. @ Rs.25 lacs each
2	Concrete Mini Batching Plant (Universal/Gamzen make) (Capacity 25 m3 per Hr.)	4 Nos. @ Rs.15 lacs each

3	Concrete Pump (Putmeitzer/ Aquarious / Schwing Stetter) (Capacity 48 m3 per Hr.)	Nil
4	Transit Mixers.	6 Nos. @ Rs.8 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.6 lacs each
8	Shuttering Plates	3500 S.q.m. On rent @ Rs.12.50 - per sqm per day
9	Water Pumps	6 Nos. On rent @ Rs350/- per pump per day
10	Electric Motors (4 to 10 HP)	20 Nos. @ Rs.40,000 each
11	Diesel Generators (125 KVA)	6 Nos. on rent @ Rs.700 per machine per day
12	Communications equipment	45 Nos @ Rs.7500 each
13	Audio and video equipment	Rs.22.50 lacs
14	Computer and peripheral equipment	Rs.25.50 lacs
15	Semiconductor and other electronic components	Rs.10 lacs
16	JCB Excavator/ Loader.	4 Nos. @ 50 lacs each
17	Dumpers – 9 MT.	2 Nos. @ Rs.25 lacs each. Registration Number HR 10 T 1025 and HR 10 T 1026

Mandatory cover for Liability to third parties and third party property damage is mentioned in the contract.

The Liability covers under the various mandatory covers have already been opted for.

PTO

The client has been provided with the following premium rates for the machinery / equipment mentioned above :

1. Fire Insurance   @1.25%o

2. Burglary Insurance   @0.20%o

3. Machinery Breakdown   @ 1.00%

4. Marine Insurance   @0.025%

5. EEI   @ 1.00%

6. EQ cover as an add on cover   @ 0.25%o

Please compute the premium using the premium rates mentioned above identifying the various Sum Insureds.

....