

PGDM (Insurance Business, 2016-18)

Insurance Laws

Code:- INS-102

Trimester – I, End-Term Examination, September-2016

Time allowed: 2½ Hours

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Part-A

Attempt any 3 questions. Each question carries 5 marks. No answer should have more than Two Hundred Fifty words.

- A.1. Differentiate between legislation and case law (judicial precedent). How does equity apply to our country and which courts have jurisdiction for the same?
- A.2. What are the powers and functions of a High Court in India?
- A.3. What is an Assignment and what are its kinds? Discuss how an assignment can be done.
- A.4. What are the rights of a consumer in India? Which bodies have been established to look after the rights?
- A.5. What is the composition of Surveyors' Committee? What are its functions?

Part-B

Attempt any 2 questions. Each question carries 10 marks. No answer should have more than Five Hundred words.

- B.1. What are the essential elements for a contract to be valid? What kind of a contract is Insurance and what are its special characteristics?
- B.2. What is the remedy provided for an aggrieved consumer under 3-tier system for redressal of consumers disputes? How is the relief granted by Ombudsman different from this?
- B.3. How is IRDA composed and what is its objective? What kind of duties, powers and functions are exercised by it?

Contd./-2-

Part-C

Case Study : Compulsory question.

Carries 15 marks.

(a) Your cousin who graduated in automobile engineering with a good grade wants to settle down in a good career. He does not look for an employment but for being a free lancer with no limits for progress. He seeks your guidance whether insurance sector could provide him such a profession. Guide him suitably and elaborately. (9)

(b) The National Consumer Commission upheld the lower forum's order directing an insurance company to pay Rs 50,000 compensation to a stationary shopkeeper who claimed to have suffered losses due to fire.

The Commission, however, pulled up the petitioner for registering the exaggerated claim without producing any bills before it.

"Since the petitioner is claiming to be a shopkeeper, it cannot be held that there was no sale of his articles during the period of four months. In fact the months of July, August, September being the peak season for the sale of notebooks/registers to students, he would have sold out most of his stock prior to the incident of fire," the Commission bench, headed by Justice Ashok Bhan, said.

Satya Narayan Sharma, the petitioner, approached the Commission seeking restoration of the district forum's directive to the United India Insurance Corporation Limited to pay Rs 2.68 lakh.

The Rajasthan State Consumer Commission watered down the relief to a lump-sum compensation of Rs 50,000 after considering that no books of accounts, sale bills and stock register was produced before it to establish the claim.

The National Commission said the petitioner had violated the sanctity of the contract after having resorted to false claim of purchase from another stationer.

"The claim of Rs 2.68 lakh cannot be justified. We say so because even if the purchase of articles worth Rs 1.99 lakh is reckoned to be true, the bills pertained to the period from April to June, 2002 whereas the incident of fire occurred in November, 2002 after a gap of more than four months," the Commission said.

i) What kind of decision was given by the district consumer forum and on what basis? (3)

ii) Comment critically on the decisions of state consumer commission and the National Commission in this case. (3)