

PGDM (IBM), 2014-16

Liability Insurance

INS-405

Trimester-IV, End-Term Examination: September 2015

Time allowed: 2 Hrs 30 Mins

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.

Section A

There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks. 3*5 =15

A-1 What is 'duty of care' ?

A-2 Under the Consumer Protection Act 1986, what are the redressal agencies ?

A-3 What is the implication of Negligence in Liability Insurance ?

A-4 Enumerate at least 5 changes brought about by the amendment in December 2013, in the Companies Act 2013 .

A-5 Laxmibai Atmaram Vs Bomby Port Trust (1954) brought out a significant matter for the WC policy. What was it ?

Section B

Answer 2 out of the 3 questions below. Each question carries 10 marks. 2*10 =20

B-1 a) What are the different categories of Non Industrial Risks ?

B-2 a) What is Carriers' Legal Liability ? Explain with reference to Eswara Iyer and Sons vs. Madras Bangalore Transport Company case.

b) What are the various steps in Risk Analysis ?

Turn Over

Roll No.,.....

- B-3 a) What are the Legal Provisions which are applied to the Liability cases ?
b) Why do we need a proposal form for a Professional Indemnity Policy ?

Section C

Compulsory Question

15 marks

C-1 .A CGL policy is required for a new Construction Company for its location in Delhi for 100 employees. The relevant rating factors are mentioned below:

Business Operation of the insured, Limit of Liability, Retroactive date, Number of locations, project turnover, number of years of operations, number of employees, surrounding property, description of the products used etc.

a) The limit of liability is Rs. 15 crores, and the basic rate is 1.25 per mille.

For each additional factor, the premium rate increases by 0.10 per mille.

- a) How much premium did the Company pay in totality ? 7
b) What would be the excess in the policy ? 3

C-2 Define Wrongful Act, in a D&O Policy, with examples 5
