

PGDM (Insurance Business), 2013-15

Motor Insurance-I (Own Damage)

INS-201

Trimester –II, End-Term Examination, December- 2014

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.

Section-A

There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks and the Word limit is 200 words. [3x5=15]

Write short notes on any three of the following:

- A1. Differentiate between:
 - (a) Geographical area and Geographical Zone
 - (b) Deductible and depreciation in claims
- A2. Briefly explain cash-less settlement of motor OD claim.
- A3. What are the particulars generally asked in a motor car proposal?
- A4. What do you understand by 'Arbitration condition' of a motor policy?
- A5. Write short notes on:
 - (a) 'Limitation as to use' clause incorporated in the schedule of the policy
 - (b) Protection and Removal clause.

Section-B

[Note: Answer 2 out of the 3 Questions below. Each Question carries 10 marks and word limit is 500. [2x10=20]

- B1. Write short notes on:
 - (a) Application and treatment of NCB in motor insurance.
 - (b) Claim procedure in Motor insurance (OD)
- B2. What are the underwriting factors in Motor insurance? Please explain.
- B3. Explain the importance of any 05 conditions (other than mentioned in the question paper) of a motor policy.

P.T.O.

Section-C

Case Study

Marks: 15

Compulsory questions-

- a) Calculate the renewal premium for motor package policy with the following information: **(7.5)**

Mr. Rajendra Kumar, r/o Gurgaon, Haryana had his HR-51AI-4646, Mahindra Scorpio, 2012 model insured under package policy; cc 2609; seating capacity 7 including driver and the policy is expiring on 20.12.2014. On renewal, the add-ons desired are dep.-reimbursement and loss of personal baggage. The owner is having a valid driving license but also engaged a paid driver. All the passengers are to be covered for Rs.01 lac each. The current show room price of the car is Rs.10,00,000 and no claim has been lodged on the insurer so far and therefore the insured sought the full NCB. The insurer has agreed to allow 40% discount on the OD premium.

OD PREM RATING:			
ZONE A			
AGE OF CAR	not>1000CC	>1000 to1500CC	>1500CC
NOT EXCEEDING 5YRS	3.1275% ON IDV	3.283% ON IDV	3.440%
>5YRS NOT EX.10 YRS	3.283%	3.447%	3.612%
>10 YRS	3.362%	3.529%	3.698%
ZONE B			
	not>1000CC	>1000 to 1500CC	>1500CC
NOT EXCEEDING 5YRS	3.039% ON IDV	3.191% ON IDV	3.343%
>5YRS NOT EX.10 YRS	3.191%	3.351%	3.510%
>10 YRS	3.267%	3.430%	3.594%
TP LIABILITY PREM	941	1110	3424

Loss of personal belongings Rs. 485; Dep.-reimbursement Rs.1935

- b) A goods carrying vehicle registered on 5th April, 2011 was insured under a package policy for period 11-04-2012 to 10-04-2013, it dashed against a compound wall of a factory on 01.03.2013. The wall fell down on the vehicle and damaged it badly. The policy is subject to IMT 23. Calculate the claim with following particulars. **(7.5)**

PTO

Vehicle Damages :-

Front Tyers (Total Loss) x 2	20,000/-
Bumper (Steel)	7,000/-
Wind Shield Glass	15,000/-
Cabin Damage	40,000/-
Painting (Damaged Portion)	9,000/-
Labour Charges for repairs	60,000/-
(Surveyor allowed 50% only)	
Towing Charges	5,000/-
Salvage	3,000/-

PI calculate the liability of the insurance company.
